CENTRAL STATISTICAL OFFICE

CSO Economic Trends

ARTICLES

United Kingdom balance of payments in the third quarter of 1981

Employment in the public and private sectors, 1975-81

Agricultural incomes

International comparisons of taxes and social security contributions, 1970-79

No 338
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Release dates of economic statistics to be published in January 1982

This is issued by the Central Statistical Office on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in January 1982. An indication of the time of release is given. The dates are targets which are normally expected to be met. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

Publication date	Series	Method of release	Source
January 1982			
Tues 5	Provisional estimate of money supply (mid-December)	PN	Bank of England
	UK official reserves (December)	PN	HM Treasury
	London clearing banks' monthly statement (mid-December)	PN	CLCB
	Capital issues and redemptions (during the month of December)	PN	Bank of England
Wed 6	Advance energy statistics (November)	PN	D of Energy
Thurs 7	Provisional figures of vehicles production (December)	PN	D of Industry
Fri 8	Housing starts and completions (November)	PN	D of Environment
Mon 11	Personal sector account and industrial and commercial companies appropriation account (3rd quarter)	PN	CSO
	Retail sales (November – final)	PN	CSO
	Hire purchase and other instalment credit business (November)	PN	D of Trade
	Wholesale price index numbers (December – provisional)	PN	D of Industry
Tues 12	Building Societies' monthly figures (December)	PN	BSA
	Central Government transactions (including borrowing requirement) (December)	PN	HM Treasury
Wed 13	Index of industrial production for Wales (3rd quarter)	PN	Welsh Office
Thurs 14	United Kingdom banks' assets and liabilities and the money stock (mid-December)	PN	Bank of England
	London dollar and sterling certificates of deposit (mid-December)	PN	Bank of England
Fri 15	Retail prices index (December)	PN	D of Employment
	Tax and price index (December)	PN	CSO
	Usable steel production (December)	PN	BSC/BISPA
Sun 17	Department for National Savings' monthly progress report (December)	PN	D for National Savings
Mon 18	Industrial and commercial companies appropriation account, financial surplus/deficit and net borrowing requirement (3rd quarter)	PN	CSO
	Index of industrial production (November – provisional)	PN	CSO
	Retail sales (December – provisional)	PN	D of Trade
Wed 20	Indices of average earnings (November)	PN	D of Employment
	Indices of basic rates of wages (December)	PN	D of Employment
	Construction – new orders (November)	PN	D of Environment
Thurs 21	Institutional investment (3rd quarter)	PN	CSO
	Consumers' expenditure (4th quarter – 1st preliminary estimate)	PN	CSO
	Cyclical indicators for the UK economy (December)	PN	CSO
Mon 25	New vehicle registrations (December)	PN	D of Transport
Tues 26	Unemployment (January – provisional)	PN	D of Employment
	Unfilled vacancies (January – provisional)	PN	D of Employment
	Bricks and cement production (4th quarter)	PN	D of Environment
Thurs 28	Unemployment and unfilled vacancies (December – final)	*Gazette*	D of Employment
	Employment in the production industries (November)	*Gazette*	D of Employment
	Overtime and short-time working in manufacturing industries (November)	*Gazette*	D of Employment
	Stoppages of work due to industrial disputes (December)	*Gazette*	D of Employment
	Quarterly estimates of employees in employment (3rd quarter)	*Gazette*	D of Employment
	Energy trends	PN	D of Energy
Fri 29	Sales and orders in the engineering industries (October)	*British business*	D of Industry
	Car and commercial vehicle production (December – final)	*British business*	D of Industry

PN—Press Notice

Balance of payments current account and overseas trade figures for December will be released towards the end of January. Estimates for the months March to August, which have been delayed, will be released with the monthly press notices as they become available.

CENTRAL STATISTICAL OFFICE

Economic Trends

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Government Statistical Service

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Introduction

Economic Trends brings together all the main economic indicators.

It contains three regular sections of tables and charts illustrating trends in the UK economy:

- 'Latest developments' presents the most up-to-date statistical information available during the month, together with a calendar of recent economic events. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

- The main section shows the movements of the key economic indicators over the last five years or so. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

- A further chart shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 18 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the Central Statistical Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The main tables and charts in this issue contain information available to the CSO on 18 December. The 'Latest developments' section may contain later information.

2. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.

3. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.

4. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.

5. 'Billion' denotes one thousand millions.

Changes with this issue

The table on page 34 on output per person includes a new series which shows output per person hour in manufacturing industries. The next issue of *Economic Trends* will contain a short description of how this series is compiled. A limited number of an occasional paper describing this series in greater detail is available from Branch 4, Central Statistical Office (address opposite).

Symbols used:

..	not available or not meaningful
—	nil or less than half the final digit shown
§	series for which measures of variability are given on page 70
†	indicates that the data have been revised since last issue; the period marked is the earliest in the table to have been revised

The Editor would welcome readers' suggestions for improvements to *Economic Trends*

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Latest developments in the economy[1]

Data available at 22 December 1981

Output

The output measure of gross domestic product rose by ½ per cent in the third quarter of 1981, following the decline experienced since 1979. There was a 2 per cent increase in total industrial production, with the output of most industries higher in the third quarter than in the second, partly as a result of the end of destocking. Manufacturing output rose by 2½ per cent; construction output also rose by 2½ per cent, reflecting an increase in repair and maintenance work and in road construction. The increase in industrial production in the third quarter was partly offset by a further decline in activity in the service industries, to some extent associated with lower consumer demand. The output of the distributive trades fell by some 1 per cent.

Figures of industrial production to October suggest that industrial output continued to rise from its low level in the spring. North Sea oil and gas extraction was at a record level in the three months August to October.

Balance of payments

Visible trade figures have been delayed by the civil servants' dispute; import figures from May to August and export figures from March to August are not yet available. From the information that is available, it seems likely that in broad terms the current balance in the first quarter of 1981 was about £3 billion.

In the third quarter, there was a surplus of £0·3 billion on invisibles compared with £0·7 billion in the second quarter. There was an identified net outflow on investment and other capital transactions of £0·7 billion, compared with £1·9 billion in the second quarter, One of the main reasons for the reduced scale of net outflows was the turnround in foreign currency borrowing and lending by UK banks from a large net outflow to a small net inflow.

Official reserves and the exchange rate (not seasonally adjusted)

The UK official reserves rose by $147 million in November to $23,463 million. Repayments of public sector borrowing under the exchange cover scheme amounted to $107 million.

Up to 16 December the average sterling effective exchange rate for December was 0·9 per cent higher than the average for November as a whole.

Companies

The Department of Industry's survey of the liquidity of large companies showed a further marked improvement in the third quarter; the liquidity ratio rose from 92 at the beginning of the quarter to 102 at the end. The improvement was due to a substantial increase in the ratio for manufacturing companies, which rose from 83 to 99 over the same period. For non-manufacturing companies the liquidity ratio was the same at the beginning and end of the quarter. The temporary delay in tax payments by companies caused by the civil servants' dispute may have made some contribution to the improvements in liquidity in the second and third quarters but it seems fairly clear that there has been an underlying upward trend since about the middle of 1980.

Company profits rose sharply in the third quarter. After deducting stock appreciation, profits of all industrial and commercial companies rose by roughly 10 per cent.

Earnings and wage rates

The whole economy index of average earnings rose by 0·6 per cent in October to 213·4 (January 1976 = 100), 11·9 per cent above its October 1980 level. Basic weekly wages for manual workers (not seasonally adjusted) in November were 6·2 per cent higher than a year earlier.

Prices (not seasonally adjusted)

The retail price index in November was 306·9 (January 1974 = 100), 1 per cent up on October and 12·0 per cent up on November 1980.

The tax and price index for November was 160·1 (January 1978 = 100), an increase of 15·6 per cent on November 1980.

The price index for materials and fuel purchased by manufacturing industry fell by ½ per cent between October and November. This decrease was caused by the appreciation of sterling against the dollar, which was partly offset by higher prices for coal and electricity and a higher dollar price for crude oil. The change in the index over a 12-month period fell from 18¼ per cent in October to 16½ per cent in November.

The wholesale price index for home sales of manufactured products increased by ½ per cent between October and November. Nearly a half of this increase was caused by higher prices for petroleum and food products. The change in the index measured over a 12-month period was 11 per cent, the same as in October.

Consumers' expenditure

The provisional estimate of the volume of retail sales in November is 110·5 (1976 = 100). The uneven pattern of trade over the year continued but it is considered that there has been little change since the spring.

Consumers' expenditure fell by ½ per cent in the third quarter with falls recorded in a number of categories of expenditure.

Financial aggregates

During banking November (four weeks to 18 November) sterling M3 increased by £370 million or 0·5 per cent. As in earlier months the figures were distorted by the consequences of the civil servants' dispute. The central government borrowing requirement was in surplus by £1,050 million, benefiting this month by some £1¼ billion from the recovery of taxes delayed by the civil servants' dispute; in addition the underlying borrowing requirement was very low. PSL1 rose by 0·1 per cent and PSL2 by 0·2 per cent. Domestic credit expanded by £413 million.

[1] All data are seasonally adjusted unless otherwise stated. In most cases estimates are provisional and subject to revision.

Stockbuilding

Revised figures show a fall of £100 million (1975 prices) in manufacturers' and distributors' stocks in the third quarter of 1981. Manufacturers' stocks fell by almost £100 million and wholesalers' stocks by £89 million. Retail stocks rose by about £85 million. In the first three quarters of 1981 total destocking has amounted to just over £1,000 million compared with £1,900 million in 1980 as a whole.

Unemployment and vacancies

Unemployment in the United Kingdom (excluding school leavers) rose by 17,300 in December to 2,781,600. Vacancies notified to employment offices rose by 3,700 to 107,500.

Capital expenditure

Revised figures suggest that there was little change in the volume of capital expenditure by the manufacturing, distributive and service industries between the second and third quarters of 1981. A 6 per cent fall in investment by manufacturing industries was offset by a 4 per cent rise in investment by the distributive and service industries.

Economic events

November

16 It was announced that 16 industrial training boards were to be abolished, and changes to be made in some of the six to be retained – clothing, construction, engineering, hotels and catering, road transport, rubber and plastics processing.

December

2 A number of Government announcements were made.
Public expenditure – present plans for 1982–83. Cash plans now amounted to £115 billion, compared to £110 billion in March 1981. There are rises on account of nationalised industries' capital spending, local authorities' current spending, employment services and defence, partially offset by cuts of £1 billion, mainly through a general cut in cash-limited spending by central government, and the National Health Service and in capital spending by local authorities, water authorities, and on motorways and roads.
National insurance contributions – rates for employees were to be raised by 1 per cent from April 1982, with some increase for the self-employed, but none for employers, and income limits raised to £29·50 – £220 a week.
Social security benefits uprating – the shortfall in relation to inflation at the November 1981 uprating to be made good at November 1982 uprating for pension and other long-term benefits, but not for short-term benefits.
Rate Support Grant (England) to be reduced from 59·1 per cent to 56 per cent.

3 Social Security (Contributions) bill introduced.
The clearing banks announced a cut in base rates from 15 per cent to 14½ per cent.

9 Extra spending, of £95 million in 1982–83, announced for reviving run-down inner city areas.

15 A £1 billion a year programme of industrial training reform was announced, to include a new scheme to provide a year's training for unemployed young people, especially school-leavers.

Selected monthly indicators[1]

		Seasonally adjusted				Unadjusted						Seasonally adjusted	
		1976 = 100	1975 = 100	Thousands		Jan. 1976 = 100	1975 = 100	Jan. 1974 = 100	Jan. 1978 = 100	1975 = 100	$ billion	£ million	
		Volume of retail sales (GB)[2,3] §	Index of Industrial production[4] §	Unemployment[5,6,8] §	Vacancies[7,8] §	Average earnings (whole economy: GB)[13]	Wholesale price of materials and fuel[9]	Retail price index (all items)	Tax and price index[10]	Sterling effective exchange rate	U.K. official reserves[11]	Balance of payments: Current balance[12]	Money stock sterling M_3
1980	*A*	109·6	106·9	1,456·2	170·2	175·1	202·3	260·8	130·8	94·3	28·0	− 185	57,520
	M	108·4	106·7	1,495·3	162·2	176·7	200·4	263·2	132·2	94·7	28·3	+ 99	58,600
	J	109·5	106·7	1,541·7	145·3	182·1	201·1	265·7	133·6	94·5	28·2	+ 107	59,210
	J	108·5	105·6	1,609·2	127·9	183·1	201·7	267·9	134·9	95·6	28·3	+ 403	62,310
	A	109·6	103·1	1,696·8	120·5	187·3	201·8	268·5	135·3	96·8	28·3	+ 74	63,600
	S	108·5	101·8	1,791·1	111·1	194·0	202·1	270·2	136·3	97·6	27·6	+ 447	63,800
	O	109·7	101·5	1,892·9	100·0	190·7	201·4	271·9	137·3	99·2	28·0	+ 788	65,460
	N	109·2	100·9	2,030·0	96·2	192·6	203·4	274·1	138·5	101·1	28·2	+ 691	66,260
	D	108·4	100·4	2,136·6	98·8	196·6	205·1	275·6	139·4	100·2	27·5	+ 635	66,900
1981	*J*	114·0	99·1	2,228·3	103·6	195·3	209·7	277·3	140·4	102·0	28·4	+1,183	67,310
	F	112·9	100·0	2,304·1	98·2	196·9	214·0	279·8	141·9	102·5	28·4	+ 755	67,540
	M	111·4	100·0	2,380·8	96·9	197·9	217·8	284·0	144·3	99·7	28·2	..	68,010
	A	111·4	99·1	2,452·3	94·3	199·5	221·3	292·2	151·3	99·2	28·1	..	69,570†
	M	110·6	98·4	2,514·6	91·7	200·0	226·1	294·1	152·4	98·8	26·5	..	70,700
	J	111·7	99·7	2,552·3	82·5	203·9	229·9	295·8	153·5	95·4	25·6	..	70,850
	J	109·7	100·0	2,582·3[15]	91·7	205·3	233·0	297·1	154·2	92·5	24·6	..	72,380
	A	111·0	100·0	2,626·4[15]	98·4	211·4†	236·8†	299·3	155·5	91·2	24·5	..	73,130
	S	110·6†	100·0	2,672·7[15]†	96·9	212·1	237·9[14]	301·0	156·6	88·0†	23·7	+ 114	74,580
	O	112·1[14]	102·3	2,728·9[15]	98·6	213·4[14]	238·2[14]	303·7	158·2	88·2	23·3	+ 283	75,780
	N	110·5[14]		2,764·3	103·8		236·8[14]	306·9	160·1	90·1	23·5		76,110
	D												
		Percentage change, latest three months on previous three months											
1981	*A*	+ 1·4	− 0·4†	+11·6	− 3·1	+ 1·7	+ 5·6	+ 3·5	..	− 0·6	..	..	+ 2·3
	M	− 0·3	− 0·8	+10·2	− 5·9	+ 1·5	+ 5·8	+ 4·5	..	− 2·4	..	..	+ 3·2
	J	− 1·2	− 0·8	+ 8·8	−10·1	+ 2·3	+ 5·6	+ 4·9	..	− 3·6	..	..	+ 4·1
	J	− 1·1	− 0·5	+ 7·2[15]	− 8·1	+ 2·5	+ 5·5	+ 3·6	..	− 4·9	..	..	+ 4·3
	A	− 0·3	+ 0·5	+ 5·6[15]	− 3·6	+ 3·9	+ 5·2	+ 2·5	..	− 6·3	..	..	+ 3·9
	S	− 0·8	+ 0·7	+ 4·8[15]	+ 6·9	+ 4·2	+ 4·5[14]	+ 1·7	..	− 7·4	..	..	+ 4·2
	O	+ 0·5[14]		+ 5·0[15]	+10·5	+ 4·5	+ 3·5[14]	+ 1·9	..	− 6·8	..		+ 4·5
	N	+ 0·1[14]		+ 5·2	+ 9·8		+ 1·9[14]	+ 2·2	..	− 4·5	..		+ 4·7
	D								..		..		
		Percentage change, latest three months on corresponding period of previous year											
1981	*A*	+ 1·6	− 8·1†	+68·2	−47·0	+15·0	+ 8·8	+12·4	+14·1	+ 7·1	..	..	+20·0
	M	+ 1·7	− 7·8	+68·4	−45·1	+13·9	+10·3	+12·1	+14·8	+ 5·3	..	..	+20·3
	J	+ 1·9	− 7·3	+67·3	−43·8	+13·0	+12·2	+11·7	+15·3	+ 3·5	..	..	+20·4
	J	+ 1·7	− 6·7	+64·6[15]	−38·9	+12·4	+14·2	+11·3	+14·8	+ 1·2	..	..	+18·8
	A	+ 1·6	− 5·3	+60·1[15]	−30·8	+12·3	+15·7†	+11·2	+14·7	− 2·7	..	..	+16·9
	S	+ 1·4	− 3·8	+54·6[15]	−20·2	+11·4	+16·9[14]	+11·2	+14·7	− 6·3	..	..	+16·0
	O	+ 1·8[14]		+49·2[15]	−11·4	+11·3[14]	+17·8[14]	+11·5	+15·0	− 9·0	..		+15·9
	N	+ 1·7[14]		+42·9	− 2·6		+17·5[14]	+11·7	+15·3	−10·6	..		+15·8
	D										..		

[1] Data given may not be wholly consistent with that shown elsewhere in the publication.
[2] This index is given to one decimal place but this does not imply that it can be regarded as accurate to the last digit shown.
[3] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences, January 1980 is exceptionally a five-week period.
[4] All industries covered.
[5] Unemployed excluding school-leavers.
[6] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit, as described on page 1151 of *Employment Gazette*, November 1979.
[7] Vacancies notified to employment offices.
[8] The seasonally adjusted series have been revised as described in the March 1980 *Employment Gazette*.
[9] Purchased by manufacturing industry.
[10] Described in an article in *Economic Trends* No. 310, August 1979.
[11] See footnote [2] on page 50.
[12] Owing to industrial action UK visible trade figures for March 1981 onwards are not currently available.
[13] See footnote [3] on page 40.
[14] Provisional.
[15] The seasonal adjustment factors have been recalculated on the basis of data up to December 1980 and previous figures have been amended accordingly.
[16] The recorded unemployment figures for July to October are overstated by about 20,000 (net) as a result of industrial action affecting the flow of information between benefit offices and employment offices. The seasonally adjusted total for the UK has been reduced to allow for this. No adjustment has been made to other unemployment figures.

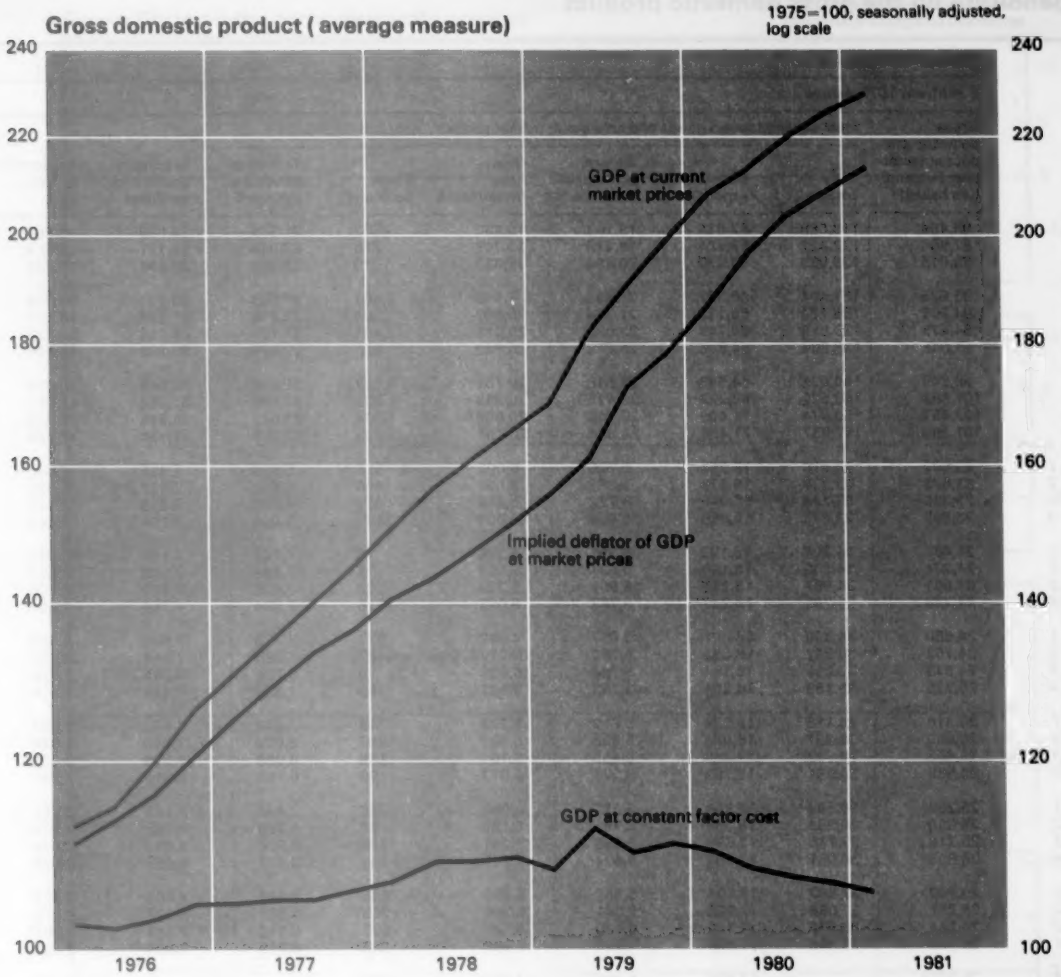
Tables and charts

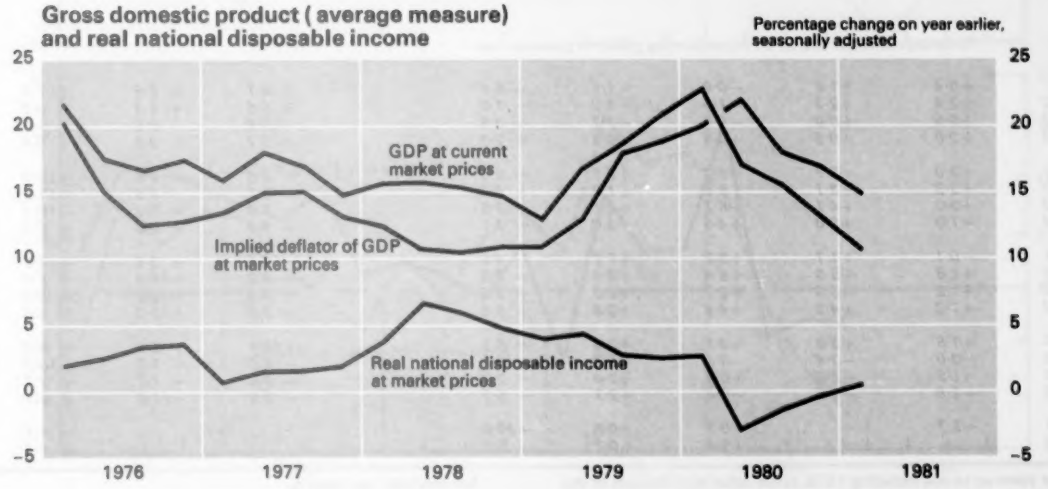
Gross domestic product at market prices and at factor cost, total home costs and national disposable income revalued at 1975 market prices[1]

Seasonally adjusted

	Gross domestic product: At market prices[2]			Implied market price GDP deflator	Gross domestic product: At factor cost						Implied index of total home costs	National disposable income at 1975 market prices
	At current prices		At 1975 prices		At current prices		At 1975 prices					
	£ billion	1975 = 100	1975 = 100		£ billion[3]		1975 = 100				1975 = 100	1975 = 100
	Based on:				Based on:		Based on:				Based on:	
	expenditure data	average estimate	average estimate	average estimate	expenditure data	income data	expenditure data[4§]	income income[4§]	output data§	average estimate§	expenditure data	average estimate
1970	51·1	49·5	91·3	54·1	43·6	44·0	90·5	92·2	93·5	92·1	51·0	95·8
1971	57·3	55·0	93·0	59·1	49·5	49·1	92·8	92·7	94·9	93·4	56·5	97·7
1972	63·5	61·6	96·1	64·1	55·3	56·2	94·0	96·0	97·8	95·9	62·3	100·9
1973	73·0	70·6	103·0	68·5	64·3	65·3	101·2	103·7	103·5	102·8	67·3	105·9
1974	83·1	79·7	101·1	78·8	74·7	74·5	100·5	100·9	101·9	101·1	78·7	100·2
1975	104·9	100·0	100·0	100·0	94·5	93·8	100·0	100·0	100·0	100·0	100·0	100·0
1976	124·7	118·0	102·9	114·7	111·6	110·0	103·7	102·9	101·9	102·8	113·9	102·5
1977	143·9	137·2	104·9	130·7	127·0	126·5	105·0	105·4	104·6	105·0	127·9	103·8
1978	164·9	157·9	108·9	145·0	145·3	146·1	107·8	109·1	108·0	108·3	142·6	109·1
1979	192·3	185·1	111·0	166·7	166·5	168·6	109·0	111·3	110·3	110·2	161·7	112·5
1980	225·6	216·1	109·0	198·2	193·6	195·5	107·3	109·2	107·2	107·9	190·9	111·7
1976 *1*	29·9	112·4	101·9	110·3	26·7	26·1	103·7	102·0	100·6	102·1	109·0	101·9
2	30·2	114·6	101·8	112·5	27·2	26·8	102·4	101·6	101·4	101·8	112·4	
3	31·6	119·3	103·0	115·7	28·3	27·9	103·9	103·2	101·7	103·0	115·2	103·2
4	33·0	125·7	104·7	120·0	29·4	29·2	104·7	104·7	103·8	104·4	119·0	
1977 *1*	34·0	130·1	104·2	124·9	30·4	30·3	104·1	104·6	104·5	104·4	123·5	102·8
2	35·4	134·9	104·5	129·1	31·2	31·2	104·8	105·7	103·9	104·8	125·9	
3	36·5	139·5	104·8	133·1	32·1	32·1	104·5	105·3	104·5	104·8	130·0	104·8
4	38·0	144·1	106·2	135·6	33·3	32·9	106·8	106·1	105·2	106·0	132·2	
1978 *1*	39·6	150·1	107·1	140·1	35·0	34·5	107·2	106·3	106·2	106·6	138·3	108·0
2	40·7	155·8	109·1	142·7	35·9	36·1	108·3	109·7	108·1	108·7	140·4	
3	41·7	160·6	109·5	146·7	36·8	37·3	107·6	109·8	108·8	108·7	144·9	110·3
4	42·9	165·0	109·8	150·2	37·6	38·2	108·2	110·8	108·8	109·3	146·9	
1979 *1*	44·0	169·2	109·1	155·0	38·4	38·8	107·1	109·1	108·4	108·2	151·9	112·2
2	47·1	181·9	113·0	161·0	41·0	41·7	110·3	113·0	112·1	111·8	157·3	
3	49·5	190·3	110·2	172·6	42·7	43·0	108·9	110·6	110·0	109·8	166·0	112·9
4	51·7	199·1	111·8	178·1	44·4	45·1	109·6	112·4	110·6	110·9	171·4	
1980 *1*	53·9	207·4	111·6	185·8	46·1	46·7	108·8	111·1	109·8	109·9	179·3	111·8
2	55·2	212·7	108·5	196·0	47·4	48·4	107·0	110·0	108·1	108·3	187·5	
3	57·5	219·5	107·9	203·4	49·7	49·6	106·8	107·6	106·3	106·9	196·8	111·7
4	59·0	224·8	108·1	208·1	50·4	50·8	106·5	108·3	104·7	106·5	200·3	
1981 *1*[5]	60·2	228·9	107·1	213·7	51·5	51·3	105·9	106·2	104·3	105·4	206·1	..
2[6]	..	..	..	..	..	52·4	..	105½[7]	103·7	..	212[7]	
Percentage change, period on corresponding period of previous year												
1978 *1*	16·3	15·4	2·8	12·2	15·4	13·8	3·0	1·6	1·6	2·1	12·0	5·1
2	15·1	15·5	4·4	10·5	15·2	15·7	3·3	3·8	4·0	3·7	11·5	
3	14·3	15·1	4·5	10·2	14·7	16·2	3·0	4·3	4·1	3·7	11·5	5·2
4	12·8	14·5	3·4	10·8	12·7	16·1	1·3	4·4	3·5	3·1	11·1	
1979 *1*	11·2	12·7	1·9	10·6	9·7	12·7	−0·1	2·6	2·1	1·5	9·8	3·9
2	15·7	16·8	3·6	12·8	14·1	15·5	1·8	3·0	3,7	2·9	12·0	
3	18·7	18·5	0·6	17·7	16·0	15·5	1·2	0·7	1·0	1·0	14·6	2·4
4	20·5	20·7	1·8	18·6	18·2	18·3	1·3	1·4	1·6	1·5	16·7	
1980 *1*	22·6	22·6	2·3	19·9	20·0	20·3	1·6	1·8	1·3	1·6	18·0	−0·4
2	17·0	16·9	−4·0	21·7	15·6	16·0	−3·0	−2·7	−3·6	−3·1	19·2	
3	16·2	15·3	−2·1	17·8	16·4	15·4	−1·9	−2·7	−3·4	−2·6	18·6	−1·1
4	14·0	12·9	−3·3	16·8	13·5	12·6	−2·9	−3·6	−5·3	−4·0	16·9	
1981 *1*	11·7	10·4	−4·0	15·0	11·8	9·8	−2·7	−4·4	−5·0	−4·1	14·9	..
2	..	..	..	..	..	8·4	..	−4 [7]	−4·0	..	13 [7]	

[1] The index numbers are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.
[2] For details of these new series see Introduction.
[3] Figures in £ million are given on page 14.
[4] Income data deflated by the implied index of total home costs.
[5] Owing to the Civil Service dispute, visible trade figures for March are not available. To enable estimates to be compiled of the gross domestic product in the first quarter of 1981, the net visible trade balance in the three months ending February 1981 has been included as the 'goods' element of net exports of goods and services.
[6] Expenditure-based estimates of the gross domestic product are not available for this quarter owing to the absence of overseas trade statistics.
[7] Estimated.


Gross domestic product (average measure)
1975=100, seasonally adjusted, log scale
240
220
200
180
160
140
120
100
GDP at current market prices
Implied deflator of GDP at market prices
GDP at constant factor cost
1976
1977
1978
1979
1980
1981


Gross domestic product (average measure) and real national disposable income
Percentage change on year earlier, seasonally adjusted
25
20
15
10
5
0
-5
GDP at current market prices
Implied deflator of GDP at market prices
Real national disposable income at market prices
1976
1977
1978
1979
1980
1981

Expenditure on the gross domestic product

Seasonally adjusted

£ million, 1975 prices

	Gross domestic product at factor cost (expenditure based)[1]	Final expenditure on goods and services at market prices							Adjustment to factor cost
		Total[1]	Consumers' expenditure§	General government consumption	Gross fixed investment§	Stock building§	Exports of goods and services§	Imports of goods and services§	
1970	85,484	118,668	57,814	19,103	19,460	802	21,576	23,938	9,167
1971	87,654	122,427	59,724	19,673	19,743	278	23,048	25,187	9,514
1972	88,815	126,923	63,270	20,484	19,823	− 19	23,318	27,694	10,243
1973	95,635	137,494	66,332	21,453	21,195	2,483	26,031	30,941	10,918
1974	94,905	136,724	65,113	21,774	20,567	1,386	27,884	31,243	10,576
1975	94,475	133,918	64,749	23,039	20,416	−1,483	27,197	29,011	10,432
1976	97,948	138,966	64,815	23,213	20,649	624	29,665	30,232	10,786
1977	99,240	140,673	64,583	22,948	20,161	1,387	31,594	30,559	10,874
1978	101,869	145,522	68,222	23,435	20,836	833	32,196	31,758	11,895
1979	102,957	150,674	71,409	23,840	20,898	1,504	33,023	35,319	12,398
1980	101,354	147,937	71,454	24,384	20,761	−1,978	33,316	34,144	12,439
1975 *1*	23,560	33,618	16,365	5,776	5,097	− 519	6,899	7,416	2,642
2	23,678	33,329	16,379	5,682	5,092	− 466	6,642	7,026	2,625
3	23,338	33,298	16,045	5,722	5,218	− 337	6,650	7,375	2,585
4	23,899	33,673	15,960	5,859	5,009	− 161	7,006	7,194	2,580
1976 *1*	24,487	34,204	16,123	5,791	5,226	− 78	7,142	7,108	2,609
2	24,174	34,509	16,190	5,837	5,164	− 76	7,394	7,668	2,667
3	24,551	34,967	16,235	5,802	5,232	263	7,435	7,710	2,706
4	24,736	35,286	16,267	5,783	5,027	515	7,694	7,746	2,804
1977 *1*	24,580	34,839	16,001	5,697	4,882	537	7,722	7,600	2,659
2	24,762	35,252	16,034	5,764	5,112	457	7,885	7,844	2,646
3	24,673	35,094	16,154	5,734	5,035	10	8,161	7,667	2,754
4	25,225	35,488	16,394	5,753	5,132	383	7,826	7,448	2,815
1978 *1*	25,316	36,113	16,854	5,819	5,271	245	7,924	7,872	2,925
2	25,585	36,331	16,939	5,838	5,327	207	8,020	7,800	2,946
3	25,403	36,517	17,230	5,855	5,161	188	8,083	8,076	3,038
4	25,565	36,561	17,199	5,923	5,077	193	8,169	8,010	2,986
1979 *1*	25,292	36,504	17,389	5,917	5,058	738	7,402	8,143	3,069
2	26,056	38,353	18,358	5,961	5,196	82	8,756	9,082	3,215
3	25,716	37,736	17,698	5,988	5,281	395	8,374	9,042	2,978
4	25,893	38,081	17,964	5,974	5,363	289	8,491	9,052	3,136
1980 *1*	25,700	37,890	18,104	6,057	5,356	− 223	8,596	8,868	3,322
2	25,267	37,066	17,702	6,061	5,205	− 263	8,361	8,927	2,872
3	25,234	36,636	17,762	6,130	5,141	− 537	8,140	8,345	3,057
4	25,153	36,345	17,886	6,136	5,059	− 955	8,219	8,004	3,188
1981 *1*	25,002[2]	..	17,974	6,086	4,818	− 855	+165[2]		3,186
2[3]	..	..	17,912	6,105	4,921	− 813	..		2,905

Percentage change, quarter on corresponding period of previous year

1977 *1*	+0·4	+1·9	−0·8	−1·6	− 6·6	..	+ 8·1	+ 6·9	+ 1·9
2	+2·4	+2·2	−1·0	−1·3	− 1·0	..	+ 6·6	+ 2·3	− 0·8
3	+0·5	+0·4	−0·5	−1·2	− 3·8	..	+ 9·8	− 0·6	+ 1·8
4	+2·0	+0·6	+0·8	−0·5	+ 2·1	..	+ 1·7	− 3·8	+ 0·4
1978 *1*	+3·0	+3·7	+5·3	+2·1	+ 8·0	..	+ 2·6	+ 3·6	+10·0
2	+3·3	+3·1	+5·6	+1·3	+ 4·2	..	+ 1·7	− 0·6	+11·3
3	+3·0	+4·1	+6·7	+2·1	+ 2·5	..	− 1·0	+ 5·3	+10·3
4	+1·3	+3·0	+4·9	+3·0	− 1·1	..	+ 4·4	+ 7·5	+ 6·1
1979 *1*	−0·1	+1·1	+3·2	+1·7	− 4·0	..	− 6·6	+ 3·4	+ 4·9
2	+1·8	+5·6	+8·4	+2·1	− 2·5	..	+ 9·2	+16·4	+ 9·1
3	+1·2	+3·3	+2·7	+2·3	+ 2·3	..	+ 3·6	+12·0	− 2·0
4	+1·3	+4·2	+4·4	+0·9	+ 5·6	..	+ 3·9	+13·0	+ 5·0
1980 *1*	+1·6	+3·8	+4·1	+2·4	+ 5·9	..	+16·1	+ 8·9	+ 8·2
2	−3·0	−3·4	−3·6	+1·7	+ 0·2	..	− 4·5	− 1·7	−10·7
3	−1·9	−2·9	+0·4	+2·4	− 2·7	..	− 2·8	− 7·7	+ 2·7
4	−2·9	−4·6	−0·4	+2·7	− 5·7	..	− 3·2	−11·6	+ 1·7
1981 *1*	−2·7	..	−0·7	+0·5	−10·0	..	..	..	− 4·1
2	..	..	+1·2	+0·7	− 5·5	..	..	..	+ 1·2

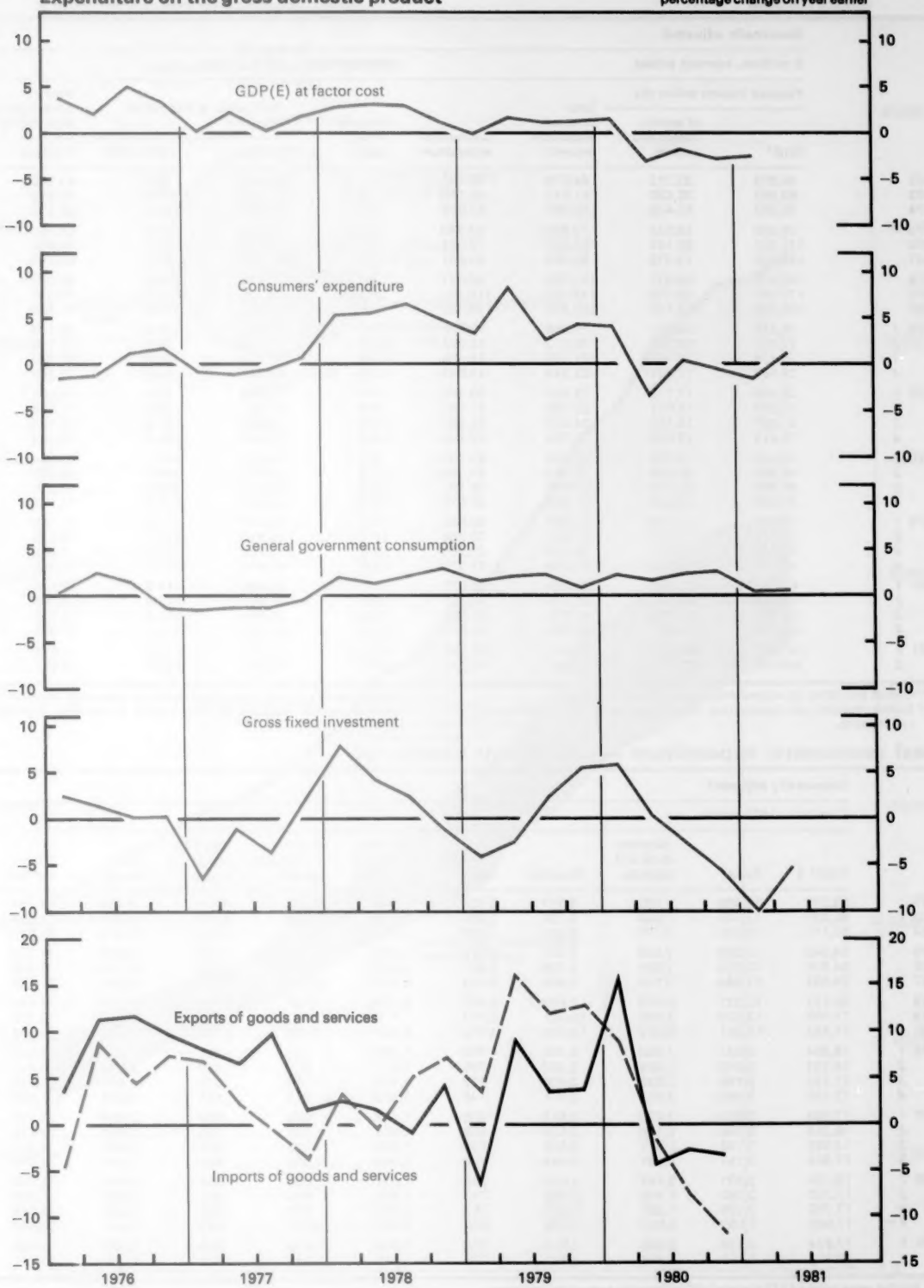
[1] For years up to and including 1972, totals differ from the sum of the components because of the method used to rebase on 1975 prices.

[2] See footnote [8] on page 6.

[3] See footnote [9] on page 6.

Expenditure on the gross domestic product

1975 prices, seasonally adjusted
percentage change on year earlier



Personal disposable income and consumption

	Seasonally adjusted							
	£ million, current prices				Percentage	1975 prices		
	Personal income before tax		Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3]	Real personal disposable income[4]		Real consumers' expenditure §
	Total[1]	*of which:* Wages and salaries				£ million §	1975=100	£ million
1972	54,673	33,312	44,679	40,183	10·1	70,349	95·2	63,270
1973	63,652	38,430	51,911	45,759	11·9	75,250	101·9	66,332
1974	75,567	45,478	60,051	52,668	12·3	74,241	100·5	65,113
1975	95,880	58,932	73,880	64,749	12·4	73,880	100·0	64,749
1976	110,652	66,161	84,832	74,952	11·6	73,359	99·3	64,815
1977	124,032	73,379	96,360	86,001	10·8	72,362	97·9	64,583
1978	143,470	83,971	113,761	98,947	13·0	78,436	106·2	68,222
1979	170,261	98,376	136,852	116,717	14·7	83,728	113·3	71,409
1980	200,985	117,145	160,821	135,403	15·8	84,867	114·9	71,454
1976 *1*	26,459	15,821	20,358	17,771	12·7	18,467	100·0	16,123
2	27,087	16,314	20,412	18,326	10·2	18,030	97·6	16,190
3	28,109	16,785	21,743	18,956	12·8	18,619	100·8	16,235
4	28,997	17,241	22,319	19,899	10·8	18,243	98·8	16,267
1977 *1*	29,988	17,775	22,963	20,425	11·1	17,992	97·4	16,001
2	30,364	18,071	23,180	21,180	8·6	17,551	95·0	16,034
3	31,267	18,450	24,423	21,847	10·5	18,062	97·8	16,154
4	32,413	19,083	25,794	22,549	12·6	18,757	101·6	16,394
1978 *1*	33,662	19,796	26,287	23,735	9·7	18,676	101·1	16,854
2	35,508	20,786	27,762	24,339	12·3	19,332	104·7	16,939
3	36,441	21,336	29,260	25,197	13·9	20,019	108·4	17,230
4	37,859	22,053	30,452	25,676	15·7	20,409	110·5	17,199
1979 *1*	39,363	22,948	31,497	26,632	15·4	20,577	111·4	17,389
2	41,472	23,947	32,852	28,998	11·7	20,810	112·7	18,358
3	43,364	25,097	34,834	29,758	14·6	20,729	112·2	17,698
4	46,062	26,384	37,669	31,329	16·8	21,612	117·0	17,964
1980 *1*	47,262	27,531	38,039	32,673	14·1	21,085	114·2	18,104
2	49,689	28,992	39,608	33,329	15·9	21,044	113·9	17,702
3	51,359	30,099	41,076	34,184	16·8	21,350	115·6	17,762
4	52,675	30,523	42,098	35,217	16·3	21,388	115·8	17,886
1981 *1*	52,865	30,751	42,264	36,150	14·5	21,014	113·8	17,974
2	54,045	31,237	42,642	37,372	12·4	20,438	110·7	17,912

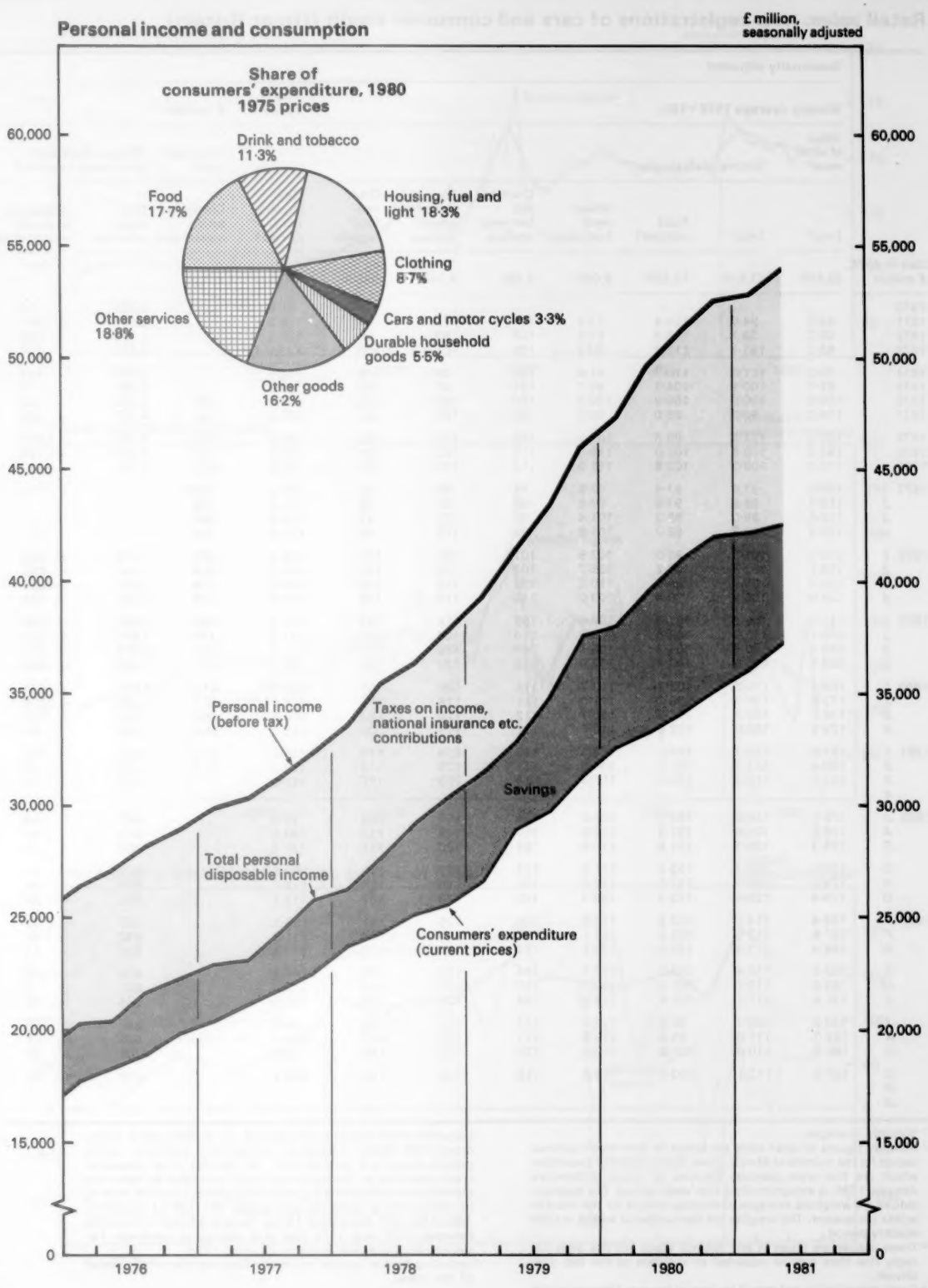
[1] Before providing for depreciation and stock appreciation.
[2] Before providing for depreciation, stock appreciation and additions to tax reserves.
[3] Personal saving as a percentage of personal disposable income.
[4] Personal income revalued by the implied consumers' expenditure deflator (1975 = 100).

Real consumers' expenditure — component categories

	Seasonally adjusted									
	£ million, 1975 prices									
	Total[1] §	Food	Alcoholic drink and tobacco	Housing	Fuel and light	Clothing including footwear	Durable household goods	Cars and motor cycles	Other goods	Other services
1972	63,270	11,988	6,960	8,917	2,854	4,964	2,986	2,811	9,956	11,964
1973	66,332	12,181	7,694	9,181	2,930	5,183	3,396	2,668	10,760	12,339
1974	65,113	12,091	7,777	9,081	2,984	5,109	3,269	2,033	10,840	11,929
1975	64,749	12,058	7,604	9,221	2,914	5,166	3,232	2,135	10,635	11,784
1976	64,815	12,155	7,591	9,238	2,887	5,194	3,419	2,222	10,734	11,375
1977	64,583	11,994	7,546	9,406	2,959	5,232	3,215	2,009	10,856	11,366
1978	68,222	12,331	8,059	9,693	3,013	5,716	3,531	2,401	11,392	12,086
1979	71,409	12,575	8,306	10,091	3,179	6,100	3,999	2,596	11,550	13,013
1980	71,454	12,651	8,052	10,024	3,073	6,247	3,956	2,381	11,606	13,464
1978 *1*	16,854	3,091	1,984	2,400	729	1,363	843	620	2,792	3,032
2	16,939	3,042	1,984	2,392	766	1,414	876	615	2,838	3,012
3	17,230	3,106	2,039	2,430	772	1,471	900	625	2,888	2,999
4	17,199	3,092	2,052	2,471	746	1,468	912	541	2,874	3,043
1979 *1*	17,389	3,074	2,020	2,512	828	1,448	922	565	2,864	3,156
2	18,358	3,146	2,128	2,525	805	1,584	1,152	785	2,954	3,279
3	17,698	3,188	2,077	2,510	782	1,485	923	561	2,857	3,315
4	17,964	3,167	2,081	2,544	764	1,583	1,002	685	2,875	3,263
1980 *1*	18,104	3,201	2,102	2,496	769	1,605	1,006	648	2,912	3,365
2	17,702	3,180	1,946	2,493	737	1,565	976	601	2,853	3,351
3	17,762	3,120	1,981	2,507	767	1,530	974	589	2,900	3,394
4	17,886	3,150	2,023	2,528	800	1,547	1,000	543	2,941	3,354
1981 *1*	17,974	3,128	2,035	2,510	724	1,575	1,016	555	3,005	3,426
2	17,912	3,130	1,846	2,501	773	1,541	1,024	598	2,968	3,531

[1] For the years before 1973 the total differs from the sum of the components because of the method of rebasing to 1975 prices.

Personal income and consumption



Retail sales, new registrations of cars and consumer credit (Great Britain)

	Seasonally adjusted										
	Weekly average 1976 =100							Thousands[1]	£ million		
	Value of retail sales[2]	Volume of retail sales[2]							Consumer credit	Hire purchase and other credit business[4]	
	Total[3]	Total[3]	Food retailers[3]	Mixed retail businesses[3]	Clothing and footwear retailers	Household goods retailers	Other non-food retailers	New registrations of cars[5]	Change in total outstanding	New credit extended	Change in amounts outstanding[5]
Sale in 1976 £ million	33,616	33,616	11,369	9,045	3,384	4,745	5,073				
1970	..	..	..	..	..	..	..	91·4	..	1,767	+ 92
1971	49·7	94·0	116·4	73·3	101	79	90	108·5	..	2,036	+ 251
1972	55·7	98·7	115·6	81·5	105	89	96	138·6	..	2,466	+ 438
1973	63·2	103·1	112·0	90·2	106	101	105	137·1	..	2,846	+ 444
1974	73·2	101·9	110·0	91·6	103	99	104	102·8	..	2,508	− 164
1975	87·1	100·1	104·2	95·7	101	97	101	98·0	..	2,981	− 13
1976	100·0	100·0	100·0	100·0	100	100	100	105·4	483	3,586	+ 343
1977	114·2	98·3	98·0	99·6	95	101	97	108·3	743	4,392	+ 625
1978	131·0	103·8	98·3	107·1	106	111	103	129·2	1,429	6,010	+1,491
1979	153·2	108·6	102·0	110·8	111	122	106	138·9	1,798	7,346	+1,780
1980	174·3	109·3	102·8	111·6	112	119	109	120·6	1,659	7,736	+1,092
1977 *1*	108·5	97·5	97·4	97·8	94	99	98	101·6	156†	..	..
2	110·7	96·5	97·6	97·2	90	99	95	101·5	128	..	..
3	116·6	99·0	98·3	101·4	95	101	97	115·3	205	..	..
4	120·9	100·3	98·7	101·9	99	103	99	115·0	264	..	..
1978 *1*	123·7	101·3	98·5	103·5	101	105	100	126·6	387	1,418	+ 446
2	128·1	102·4	97·2	105·7	103	109	102	127·2	314	1,501	+ 382
3	134·3	105·5	98·1	110·2	109	114	103	135·5	354	1,532	+ 329
4	138·0	106·1	99·4	109·0	110	115	106	127·6	374	1,559	+ 334
1979 *1*	141·0	105·8	101·0	107·0	108	116	103	131·3	404	1,635	+ 369
2	154·1	113·0	103·3	105·4	114	134	110	172·9	476	1,877	+ 483
3	154·7	106·6	101·3	108·7	108	116	104	111·1	447	1,875	+ 472
4	163·1	109·1	102·4	112·0	115	120	105	140·3	421	1,959	+ 456
1980 *1*	168·9	110·2	103·2	113·7	115	120	108	139·3	411	2,049	+ 536
2	173·5	109·2	103·7	111·0	111	118	109	114·2	467	1,964	+ 270
3	176·0	108·9	101·5	110·7	112	119	110	116·6	455	1,933	+ 222
4	179·2	109·0	102·6	110·7	111	119	109	112·1	360	1,793	+ 65
1981 *1*	187·6	112·7	103·2	116·5	115	124	115	115·3†	616	1,884	+ 124
2	190·4	111·3	101·6	114·6	111	125	114	122·3	512	1,936	+ 86
3	192·0	110·4	100·2	113·4	113	123	115	111·4		2,023	+ 172
4											
1980 *J*	175·0	108·5	101·1	109·5	114	119	109	85·0	..	663	+ 106
A	176·8	109·6	101·8	112·0	117	118	110	133·6	..	613	+ 54
S	176·3	108·5	101·6	110·5	107	120	111	131·2	..	657	+ 62
O	179·0	109·7	103·1	111·3	113	119	111	108·5	..	629	+ 75
N	179·2	109·2	102·5	112·2	108	119	111	115·7	..	559	− 44
D	179·4	108·4	102·3	109·1	113	120	107	112·1	..	605	+ 34
1981 *J*	188·4	114·0	102·6	119·9	116	126	117	116·2	..	620	+ 23
F	187·8	112·9	102·9	116·6	115	125	116	111·9	..	638	+ 87
M	186·9	111·4	103·9	113·6	114	123	112	117·8	..	626	+ 14
A	189·1	111·4	102·0	117·1	114	117	116	146·6	..	655	+ 25
M	189·8	110·6	101·3	112·7	110	126	113	116·5	..	607	+ −3
J	191·8	111·7	101·4	114·2	109	130	114	103·9	..	674	+ 64
J	189·5	109·7	99·0	113·4	112	123	113	94·8	..	658	+ 55
A	192·7	111·0	99·6	113·8	117	123	117	140·4	..	659	+ 61
S	193·5	110·6	101·6	113·1	110	123	115	98·9	..	706	+ 56
O	197·5	112·1	100·5	116·8	118	124	114	140·3	..	678	+ 96
N											
D											

[1] Monthly averages.

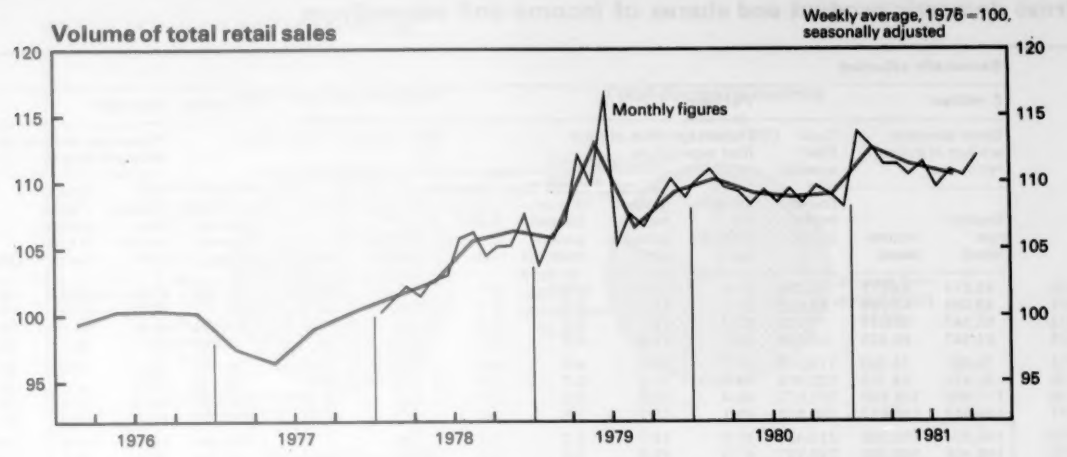
[2] Monthly figures of retail sales are based on four-week periods, except for the months of March, June, September and December which are five-week periods. Because of timing differences January 1980 is exceptionally a five-week period. The quarterly indices are weighted averages of monthly indices for the months within the quarter. The weights are the number of weeks in each monthly period.

[3] These indices are given to one decimal place but this does not imply that they can be regarded as accurate to the last digit shown.

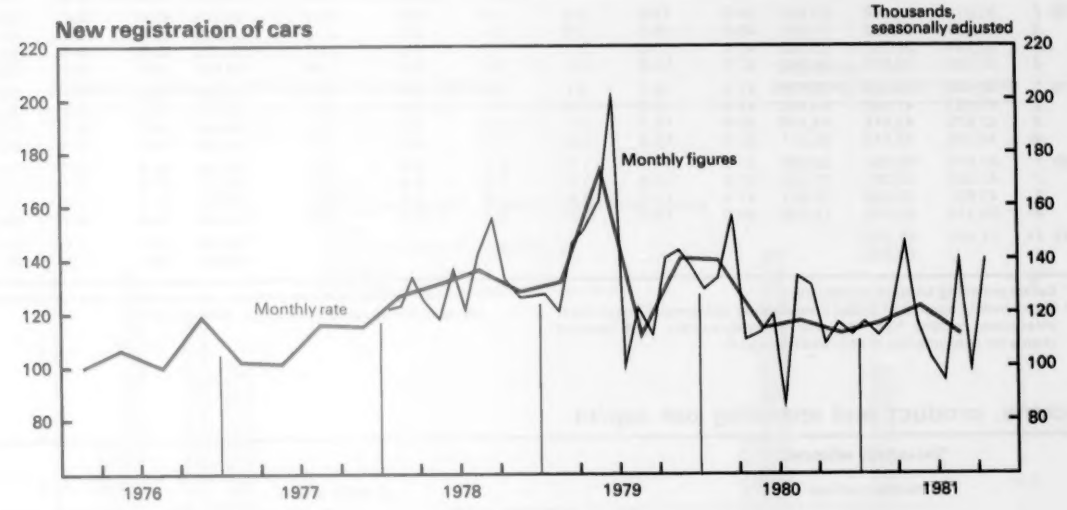
[4] Credit extended by and repaid to finance houses, other specialist consumer credit grantors and retailers, i.e. durable goods shops, department stores (including co-operative societies), other general stores and general mail order houses. Most consumer credit extended by UK banks and credit extended by insurance companies is outside the scope of these series, but some lending to companies is included, (see pages 108–109 of *Economic Trends* No. 311, September 1979). There is a break in the series between 1977 and 1978 due to a change in coverage. For details see *Trade and Industry*, 12 April 1979.

[5] Including further interest payments due over the whole period of the loans.

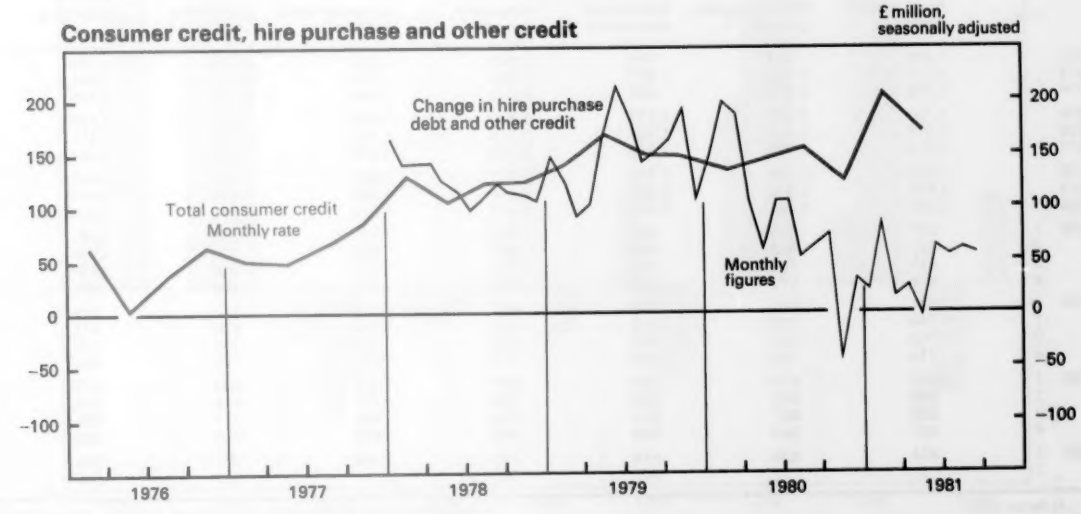
Volume of total retail sales



New registration of cars



Consumer credit, hire purchase and other credit



Gross domestic product and shares of income and expenditure

Seasonally adjusted

	£ million			Per cent						£ million	Per cent		
	Gross domestic product at current factor cost		Total final expenditure (current market prices)	Percentage share of total final expenditure							Percentage share of total domestic income		
						Gross fixed investment							
	Expenditure based	Income based		Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Total domestic income (current prices)[1]	Income from employment	Gross trading profits of companies[1]	Other[1,2]
1970	43,574	44,071	62,254	51·0	14·4	3·9	2·7	8·6	18·6	45,132	67·7	13·4	18·9
1971	49,490	49,058	69,532	51·2	14·7	3·7	2·7	8·8	18·7	50,113	66·8	13·8	19·4
1972	55,347	56,071	77,233	52·0	15·1	3·5	2·3	9·2	17·8	57,371	66·0	14·1	19·9
1973	64,347	65,423	92,058	49·7	14·5	4·0	2·3	9·2	18·7	68,258	64·1	15·1	20·8
1974	74,661	74,398	110,512	47·7	15·0	4·0	2·6	8·7	20·9	80,192	65·2	14·3	20·5
1975	94,475	93,755	133,918	48·4	17·2	3·7	2·9	8·6	20·3	99,128	68·8	12·1	19·1
1976	111,585	109,880	161,572	46·4	16·6	3·3	2·9	8·3	21·9	116,297	66·7	13·4	19·9
1977	126,943	126,417	186,513	46·1	15·7	2·6	2·6	8·7	23·4	131,267	65·5	14·5	20·0
1978	145,304	145,965	210,437	47·0	15·7	2·2	2·4	9·6	22·7	150,264	65·5	14·4	20·1
1979	166,464	168,663	246,931	47·3	15·5	2·0	2·3	9·6	22·3	177,312	65·0	15·1	19·9
1980	193,488	195,533	283,392	47·8	17·1	1·9	2·4	9·8	22·3	202,010	67·9	12·4	19·7
1978 *1*	35,016	34,460	50,567	46·9	15·6	2·3	2·3	9·6	22·4	35,201	66·1	14·1	19·8
2	35,931	36,093	51,933	46·9	15·6	2·2	2·4	9·7	22·8	37,310	65·2	14·7	20·1
3	36,797	37,257	53,385	47·2	15·6	2·2	2·3	9·5	22·7	38,302	65·3	14·5	20·2
4	37,560	38,155	54,552	47·1	15·8	2·1	2·4	9·5	22·8	39,451	65·6	14·1	20·3
1979 *1*	38,406	38,823	56,129	47·4	15·7	2·1	2·4	9·4	20·9	40,495	66·4	13·1	20·5
2	40,993	41,680	60,985	47·6	15·2	1·9	2·2	9·5	23·4	43,776	64·2	15·6	20·2
3	42,679	43,016	63,406	46·9	15·7	2·1	2·3	9·5	22·3	45,503	64·7	15·7	19·6
4	44,386	45,144	66,411	47·2	15·4	2·0	2·2	9·9	22·6	47,538	65·0	15·7	19·3
1980 *1*	46,070	46,697	69,098	47·3	15·9	1·9	2·3	9·9	23·0	49,229	65·4	15·2	19·4
2	47,383	48,361	70,329	47·4	16·6	1·9	2·5	9·6	22·6	50,027	67·9	12·7	19·4
3	49,661	49,630	71,527	47·8	17·7	1·9	2·4	9·8	21·8	50,848	69·3	10·9	19·8
4	50,374	50,845	72,438	48·6	18·0	2·0	2·4	9·8	21·9	51,906	68·9	10·8	20·3
1981 *1*[3]	51,522	51,273	..	..	..	..	..	..	..	52,579	68·6	11·1	20·3
2[3]	..	52,443	..	..	..	..	..	..	..	53,891	68·1	11·5	20·4

[1] Before providing for stock appreciation.
[2] Gross trading surplus of public corporations and general government enterprises, income from rent and self-employment, and imputed charge for consumption of non-trading capital.
[3] It has not been possible to produce complete estimates for this quarter owing to the absence of overseas trade statistics.

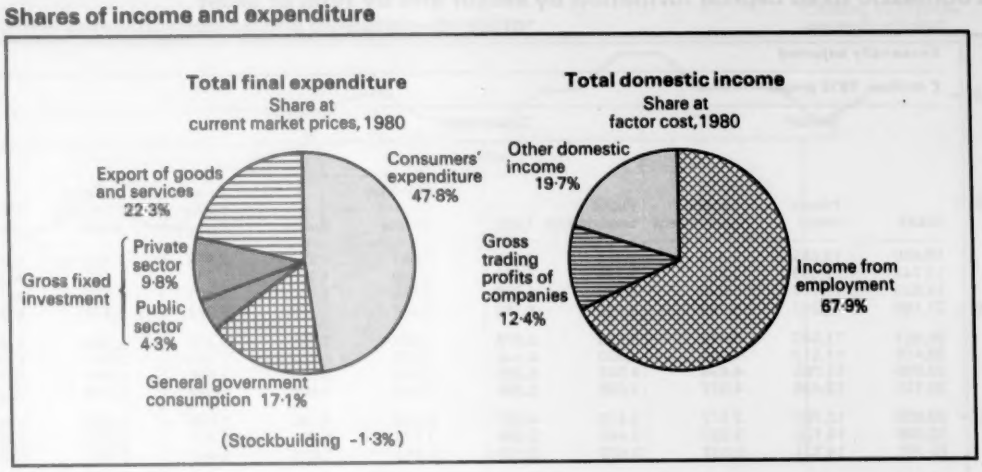
Income, product and spending *per capita*

Seasonally adjusted

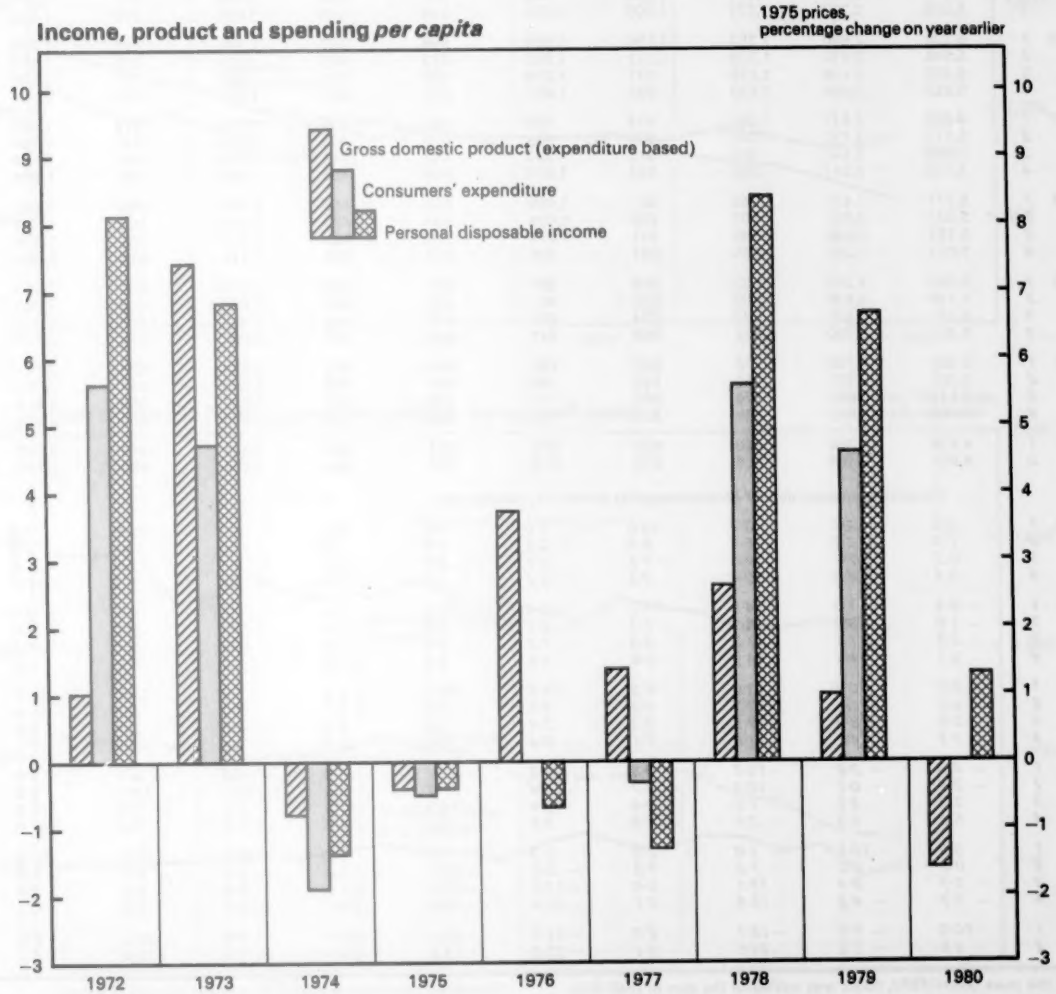
	£, current prices				£, 1975 prices		
	Gross national product[1]	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income	Gross domestic product[1, 2]	Consumers' expenditure	Personal disposable income
1972	1,000	991	719	800	1,590	1,132	1,259
1973	1,172	1,149	817	927	1,708	1,185	1,344
1974	1,358	1,333	940	1,072	1,694	1,163	1,325
1975	1,701	1,688	1,157	1,320	1,688	1,157	1,320
1976	2,018	1,994	1,339	1,516	1,750	1,158	1,311
1977	2,272	2,270	1,538	1,723	1,775	1,155	1,294
1978	2,610	2,599	1,770	2,035	1,822	1,220	1,403
1979	2,991	2,975	2,086	2,446	1,840	1,276	1,497
1980	3,456	3,456	2,419	2,873	1,810	1,276	1,516
1978 *1*	627	626	425	470	453	302	334
2	647	643	435	497	458	303	346
3	661	658	451	523	454	308	358
4	674	672	459	545	457	308	365
1979 *1*	694	687	476	563	452	311	368
2	734	733	518	587	466	328	372
3	769	763	532	623	460	316	370
4	794	793	560	673	463	321	386
1980 *1*	823	823	584	680	459	323	377
2	846	846	595	708	451	316	376
3	886	887	611	734	451	317	381
4	901	900	629	752	449	319	382
1981 *1*	924	920	646	755	446	321	375
2[3]	..	..	667	761	..	320	365

[1] At factor cost.
[2] Based on expenditure data.
[3] Expenditure–based estimates of the gross domestic product are not available for this quarter owing to the absence of overseas trade statistics.

Shares of income and expenditure



Income, product and spending *per capita*



Gross domestic fixed capital formation by sector and by type of asset

Seasonally adjusted

£ million, 1975 prices[1]

		Sector[2]				Type of asset					
						Dwellings					
							of which:				
		Total[§]	Private sector	General government	Public corporations	Total	Private	Public	Other new building and works[3]	Vehicles, ships and aircraft	Plant and machinery
1970		19,460	10,685	5,475	3,316	3,850	2,047	1,879	7,655	1,819	6,365
1971		19,743	11,099	5,297	3,334	4,091	2,440	1,733	7,781	1,882	6,264
1972		19,823	11,776	5,076	2,932	4,309	2,745	1,609	7,607	2,148	6,055
1973		21,195	12,267	5,793	3,135	4,152	2,449	1,703	7,852	2,416	6,775
1974		20,567	11,583	5,418	3,566	3,826	2,004	1,822	7,469	2,303	6,969
1975		20,416	11,512	4,984	3,920	4,149	2,182	1,967	7,560	2,041	6,666
1976		20,649	11,768	4,836	4,045	4,265	2,180	2,085	7,545	2,018	6,821
1977		20,161	12,436	4,027	3,698	3,908	2,039	1,869	7,089	2,149	7,015
1978		20,836	13,789	3,572	3,475	4,067	2,327	1,740	7,008	2,225	7,536
1979		20,898	14,126	3,332	3,440	3,556	1,975	1,581	6,727	2,379	8,236
1980		20,761	14,327	2,932	3,502	3,129	1,711	1,418	6,467	2,392	8,773
1975	*1*	5,097	2,901	1,236	930	1,007	538	469	1,855	563	1,672
	2	5,092	2,851	1,306	935	1,080	566	514	1,832	487	1,693
	3	5,218	3,027	1,171	1,020	988	544	444	2,040	472	1,718
	4	5,009	2,733	1,271	1,005	1,074	534	540	1,833	519	1,583
1976	*1*	5,226	2,840	1,282	1,104	1,098	568	530	1,946	496	1,686
	2	5,164	2,913	1,239	1,012	1,056	533	523	1,927	502	1,679
	3	5,232	3,109	1,176	947	1,074	566	508	1,961	507	1,690
	4	5,027	2,906	1,139	982	1,037	513	524	1,711	513	1,766
1977	*1*	4,882	2,877	1,091	914	933	440	493	1,756	518	1,675
	2	5,112	3,170	1,004	938	985	513	472	1,855	542	1,730
	3	5,035	3,142	974	919	990	542	448	1,733	536	1,776
	4	5,132	3,247	958	927	1,000	544	456	1,745	553	1,834
1978	*1*	5,271	3,471	949	851	1,088	629	459	1,749	588	1,846
	2	5,327	3,533	902	892	1,029	600	429	1,823	567	1,908
	3	5,161	3,404	886	871	1,014	556	458	1,722	551	1,874
	4	5,077	3,381	835	861	936	542	394	1,714	519	1,908
1979	*1*	5,058	3,367	833	858	851	461	390	1,675	584	1,948
	2	5,196	3,528	809	859	881	496	385	1,628	647	2,040
	3	5,281	3,531	876	874	883	477	406	1,732	593	2,073
	4	5,363	3,700	814	849	941	541	400	1,692	555	2,175
1980	*1*	5,356	3,708	768	880	896	494	402	1,664	629	2,167
	2	5,205	3,533	750	922	795	431	364	1,580	617	2,213
	3	5,141	3,546	726	869	770	428	342	1,597	556	2,218
	4	5,059	3,540	688	831	668	358	310	1,626	590	2,175
1981	*1*	4,818	3,366	629	823	616	367	249	1,601	444	2,157
	2	4,921	3,480	566	875	614	374	240	1,554	489	2,264
		Percentage change, quarter on corresponding quarter of previous year									
1976	*1*	*2·5*	*– 2·1*	*3·7*	*15·0*	*9·0*	*5·6*	*13·0*	*4·9*	*–11·9*	*0·8*
	2	*1·4*	*2·2*	*– 5·1*	*8·3*	*– 2·2*	*– 5·8*	*1·8*	*5·2*	*3·1*	*– 0·8*
	3	*0·3*	*2·7*	*0·4*	*– 7·2*	*8·7*	*4·0*	*14·4*	*– 3·9*	*7·4*	*– 1·6*
	4	*0·4*	*6·3*	*–10·4*	*– 2·3*	*– 3·4*	*– 3·9*	*– 3·0*	*– 6·6*	*– 1·2*	*11·5*
1977	*1*	*– 6·6*	*1·3*	*–14·9*	*–17·2*	*–15·0*	*–22·5*	*– 7·0*	*– 9·8*	*4·4*	*– 0·7*
	2	*– 1·0*	*8·8*	*–18·9*	*– 7·3*	*– 6·7*	*– 3·8*	*– 9·7*	*– 3·7*	*8·0*	*3·0*
	3	*– 3·8*	*1·1*	*–17·2*	*– 3·0*	*– 7·8*	*– 4·2*	*–11·8*	*–11·6*	*5·7*	*5·1*
	4	*2·1*	*11·7*	*–15·9*	*– 5·6*	*– 3·6*	*6·0*	*–13·0*	*2·0*	*7·8*	*3·9*
1978	*1*	*8·0*	*20·7*	*–13·0*	*– 6·9*	*16·6*	*42·9*	*– 6·9*	*– 0·4*	*13·5*	*10·2*
	2	*4·2*	*11·5*	*–10·2*	*– 4·9*	*4·5*	*17·0*	*– 9·1*	*– 1·7*	*4·6*	*10·3*
	3	*2·5*	*8·3*	*– 9·1*	*– 5·2*	*2·4*	*2·6*	*2·2*	*– 0·6*	*2·8*	*5·5*
	4	*– 1·1*	*4·1*	*–12·8*	*– 7·1*	*– 6·4*	*– 0·4*	*–13·6*	*– 1·8*	*– 6·1*	*4·1*
1979	*1*	*– 4·0*	*– 3·0*	*–12·2*	*0·8*	*–21·8*	*–26·7*	*–15·0*	*– 4·2*	*– 0·7*	*5·6*
	2	*– 2·4*	*– 0·1*	*–10·3*	*– 3·7*	*–14·4*	*–17·3*	*–10·3*	*–10·7*	*14·1*	*6·9*
	3	*2·3*	*3·7*	*– 1·2*	*0·4*	*–12·9*	*–14·2*	*–11·3*	*0·6*	*7·6*	*10·6*
	4	*5·6*	*9·4*	*– 2·5*	*– 1·4*	*0·5*	*– 0·2*	*1·5*	*– 1·3*	*7·0*	*14·0*
1980	*1*	*5·9*	*10·1*	*– 7·8*	*2·6*	*5·3*	*7·2*	*3·1*	*– 0·7*	*7·7*	*11·2*
	2	*0·2*	*0·2*	*– 7·3*	*7·3*	*– 9·8*	*–13·1*	*– 5·4*	*– 2·9*	*– 4·7*	*8·5*
	3	*– 2·7*	*0·4*	*–17·1*	*– 0·6*	*–12·8*	*–10·3*	*–15·8*	*– 7·8*	*– 6·2*	*7·0*
	4	*– 5·7*	*– 4·3*	*–15·5*	*– 2·1*	*–29·0*	*–33·8*	*–22·5*	*– 3·9*	*6·3*	*—*
1981	*1*	*–10·0*	*– 9·2*	*–18·1*	*– 6·5*	*–31·2*	*–25·7*	*–38·0*	*– 3·8*	*–29·4*	*– 0·5*
	2	*– 5·5*	*– 1·5*	*–24·5*	*– 5·1*	*–22·8*	*–13·2*	*–34·1*	*– 1·6*	*–20·8*	*2·3*

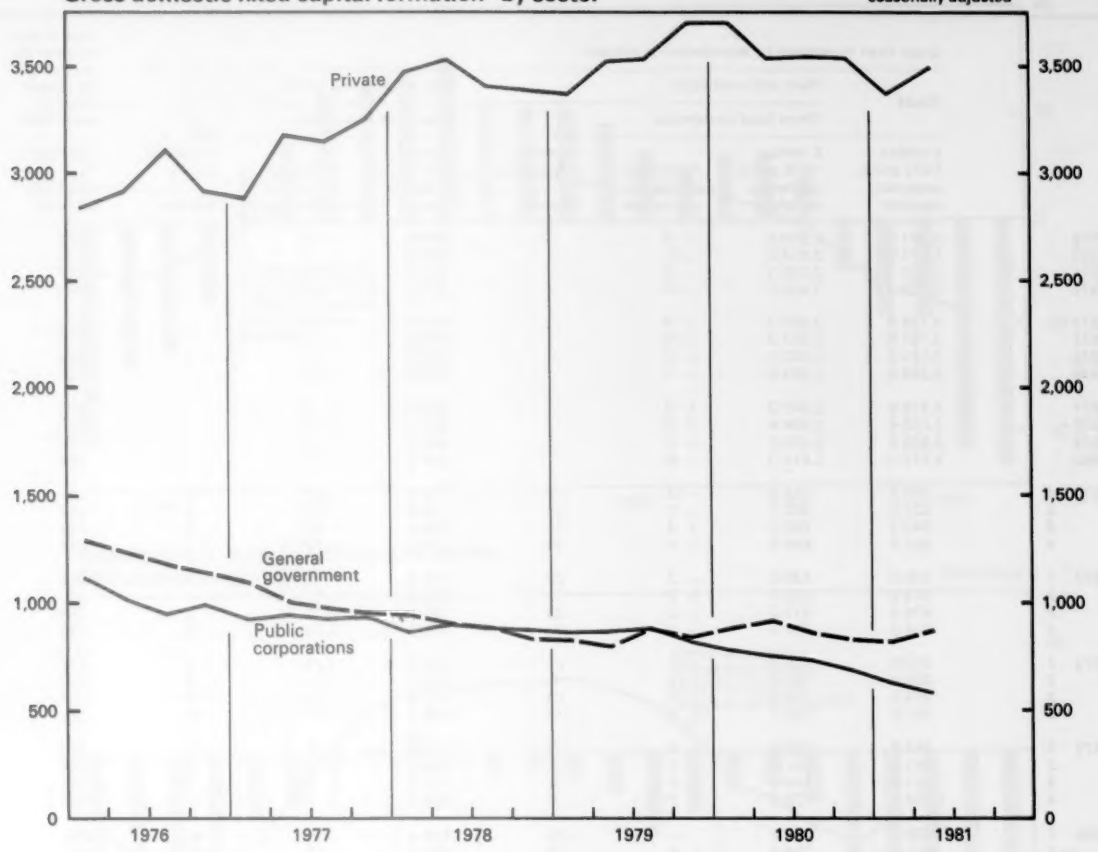
[1] For the years before 1973, totals may not equal the sum of their components, because of the method used in rebasing to 1975 prices.

[2] Including purchases *less* sales of land and existing buildings.

[3] Including transfer costs of land and buildings.

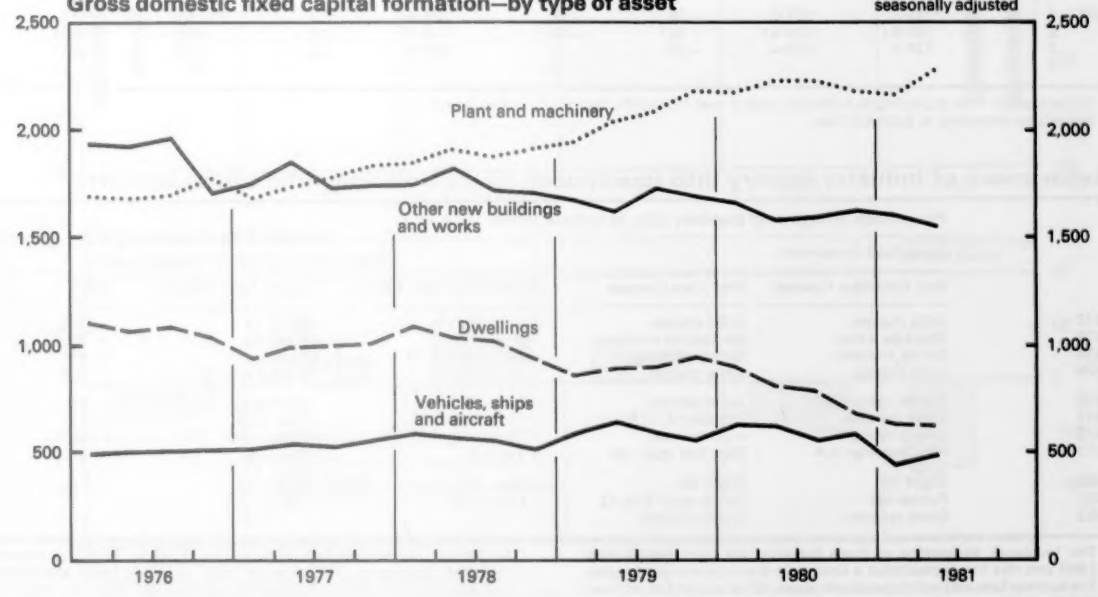
Gross domestic fixed capital formation—by sector

£ million, 1975 prices, seasonally adjusted



Gross domestic fixed capital formation—by type of asset

£ million, 1975 prices, seasonally adjusted



Indicators of fixed investment by manufacturing industry

		Gross fixed investment by manufacturing industry							New orders received by contractors for private industrial work (GB)
		Total§	Plant and machinery			New building and works			
			Gross fixed investment		CBI Intentions Inquiry	Gross fixed investment		CBI Intentions Inquiry	
		£ million, 1975 prices, seasonally adjusted	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted	*Percentage change on year earlier*	Balance[1]	£ million, 1975 prices, seasonally adjusted
1969		3,877·0	2,679·5	*+ 4*	..	973·6	*+16*	..	1,507
1970		4,177·0	2,974·2	*+11*	..	980·8	*+ 1*	..	1,410
1971		3,897·7	2,795·3	*− 6*	..	880·4	*−10*	..	1,012
1972		3,370·4	2,420·4	*−13*	..	710·6	*−19*	..	1,003
1973		3,439·8	2,505·3	*+ 4*	..	674·4	*− 5*	..	1,287
1974		3,781·8	2,821·3	*+13*	..	686·9	*+ 2*	..	1,076
1975		3,521·9	2,682·1	*− 5*	..	639·9	*− 7*	..	684
1976		3,325·8	2,584·5	*− 4*	..	503·5	*−21*	..	797
1977		3,475·5	2,649·2	*+ 3*	..	550·4	*+ 9*†	..	955
1978		3,769·4	2,884·4	*+ 9*	..	622·4	*+13*	..	998
1979		3,968·8	3,053·3	*+ 6*	..	642·7	*+ 3*	..	1,009
1980		3,577·3	2,811·0	*− 8*	..	535·7	*−17*	..	854
1976	*1*	806·6	619·9	*−13*	10	133·2	*−24*	−12	181
	2	827·0	642·7	*− 6*	15	124·5	*−26*	− 9	190
	3	840·3	655·0	*+ 2*	26	124·1	*−20*	− 3	192
	4	851·9	666·9	*+ 4*	26	121·7	*−13*	1	234
1977	*1*	830·6	630·5	*+ 2*	29	132·5	*− 1*	4	215
	2	864·0	653·3	*+ 2*	31	139·5	*+12*	—	256
	3	876·0	671·0	*+ 2*	23	137·7	*+11*	− 4	244
	4	904·9	694·4	*+ 4*	21	140·7	*+16*	− 3	240
1978	*1*	919·9	701·8	*+11*	21	146·9	*+11*	− 4	277
	2	958·4	737·6	*+13*	18	153·7	*+10*	− 7	264
	3	939·6	714·8	*+ 7*	13	156·8	*+14*	−15	256
	4	951·5	730·2	*+ 5*	10	165·0	*+17*	−11	211
1979	*1*	989·8	754·0	*+ 7*	12	170·3	*+16*	− 7	239
	2	987·9	761·2	*+ 3*	12	158·2	*+ 3*	− 6	257
	3	987·0	759·9	*+ 6*	8	161·0	*+ 3*	− 9	244
	4	1,004·1	778·2	*+ 7*	− 9	153·2	*− 7*	−20	269
1980	*1*	958·6	754·2	—	−18	136·4	*−20*	−30	221
	2	917·9	718·9	*− 6*	−18	140·1	*−11*	−31	222
	3	892·7	701·8	*− 8*	−43	134·3	*−17*	−47	204
	4	808·1	636·1	*−18*	−46	124·9	*−18*	−49	206
1981	*1*	781·2	607·9	*−19*	−38	134·4	*− 1*	−46	157
	2	760·8†	605·5†	*−16*†	−30	113·1†	*−19*	−40	172†
	3	726·1	578·4	*−18*	−23	100·2	*−25*	−35	234[2]
	4				−13			−33	

[1] Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

[2] Provisional.

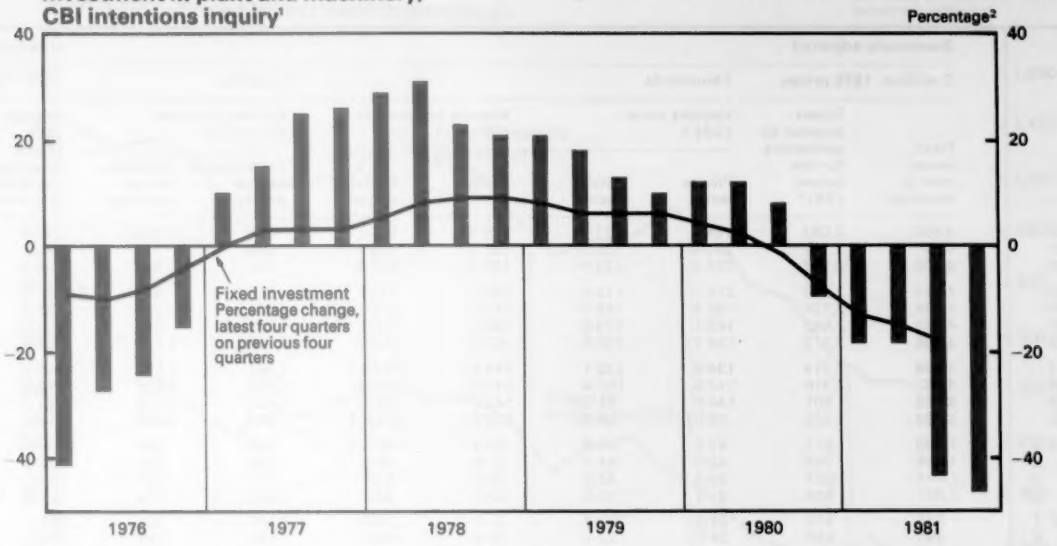
Department of Industry inquiry into investment intentions[1]: manufacturing industry

	Percentage change over previous year, in volume terms				
	Gross fixed investment				
	First December Forecast	First June Forecast	Second December Forecast	Second June Forecast	Actual
1972	Little change	Little change	About −3	About −3	−13·5
1973	Might be a rise	No specific comment	+2 to +5	About +5	+ 2·1
1974	Strong increase	Strong increase	some +12 to +14	About +5	+ 9·9
1975	Little change	Little change	−7 to −10	Of order of −15	− 6·9
1976	Further reduction	Little change	−5 to −8	−6 (5 to 8)	− 5·6
1977	Large increase	Of order of +15	+10 to +15	+6 to +10	+ 4·5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+ 8·5
1979	Rise, less than +8	Rise, less than +8	+4 to +8	+2 to +5	+ 5·3
1980	Slight fall	Slight fall	−6 to −10	−8 to −12	− 9·9
1981	Further fall	Fall of up to 8 to 12	−15 to −20	−15 to −18	
1982	Some recovery	Some recovery			

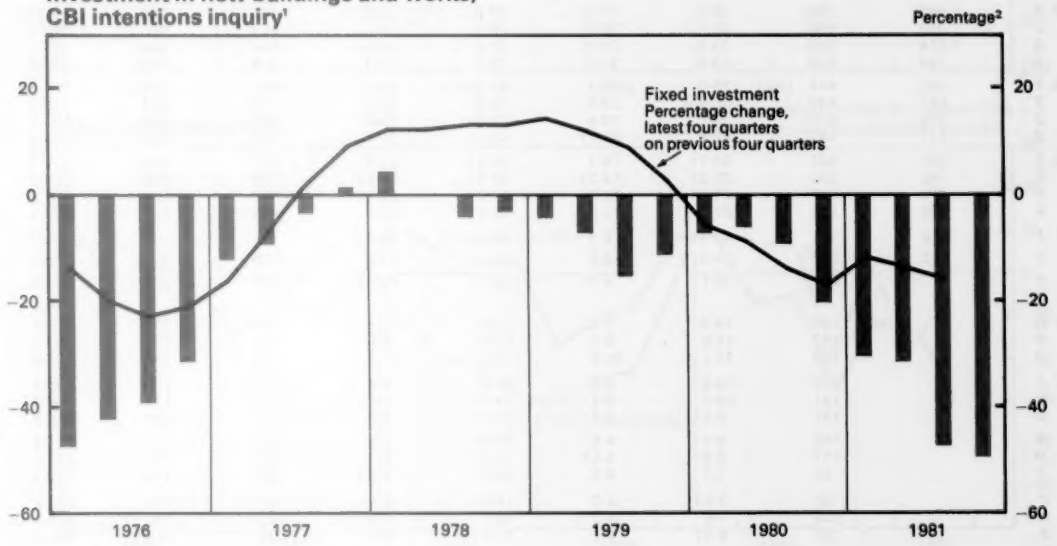
[1] The frequency and timing of these inquiries has been altered from 1980 and this has necessitated a change in the columns of the table. The summer forecasts which previously appeared have been discontinued and the table now gives information for all the remaining inquiries.

An article, "Investment intentions survey: 1968 to 1979", published in *British business* on 24 September 1980 describes these alterations and expands the table to include all the inquiries. A similar table is included for the inquiries into the distributive and service industries.

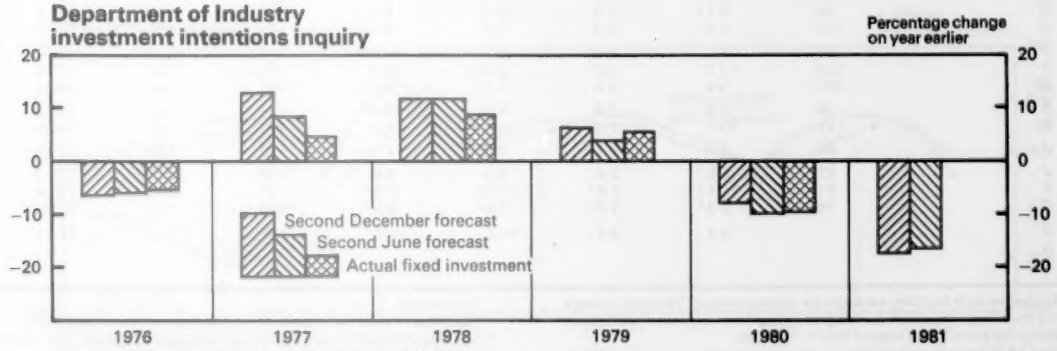
Investment in plant and machinery, CBI intentions inquiry[1]



Investment in new buildings and works, CBI intentions inquiry[1]



Department of Industry investment intentions inquiry



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage changes in fixed investment.

[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.

Indicators of fixed investment in dwellings

	Seasonally adjusted								Unadjusted
	£ million, 1975 prices		Thousands				£ million		1975 = 100
			Housing starts (GB) §		Housing completions (GB) §		Building Societies Association		
	Fixed investment in dwellings	Orders received by contractors for new houses (GB)[5]	Private sector	Public sector	Private sector	Public sector	Commitments on new dwellings	Advances on new dwellings	Average price of new dwellings: mortgages approved[1]
1970	3,850	3,093	165·1	153·8	170·3	180·1	619	510	41·8
1971	4,091	3,147	207·4	136·9	191·6	158·9	840	713	48·1
1972	4,309	3,507	228·0	123·0	196·5	122·8	964	862	63·3
1973	4,152	3,320	215·7	112·8	186·6	107·5	816	903	86·2
1974	3,826	2,224	105·9	146·1	140·9	128·6	704	700	91·4
1975	4,149	2,663	149·1	173·8	150·8	162·3	994	945	100·0[2]
1976	4,265	2,712	154·7	170·8	152·2	163·0	1,119	1,125	108·4
1977	3,908	2,214	134·8	132·1	140·8	162·5	1,261	1,175	119·0
1978	4,067	2,316	157·3	107·4	149·0	130·8	1,523	1,503	142·6
1979	3,556	1,901	144·0	81·2†	140·4†	104·0	1,498	1,519	183·2
1980	3,129	1,322	98·0†	56·0†	126·6†	106·9†	1,444	1,406	219·6
1976 *1*	1,098	813	42·0	49·8	39·4	40·6	293	261	104·3
2	1,056	703	42·0	44·3	37·8	42·4	295	294	107·9
3	1,074	627	39·3	44·3	38·3	41·5	272	291	110·3
4	1,037	569	31·4	32·4	36·7	38·5	259	279	111·5
1977 *1*	933	514	29·9	30·3	33·8	37·5	246	259	112·7
2	985	558	34·7	32·7	36·0	40·3	298	269	116·6
3	990	552	35·3	34·6	34·8	41·8	326	308	120·5
4	1,000	590	34·9	34·5	36·5	42·9	391	339	124·5
1978 *1*	1,088	606	35·5	27·2	37·8	33·8	421	380	130·5
2	1,029	586	39·6	30·0	38·1	33·4	369	403	138·0
3	1,014	586	38·3	26·0	35·8	32·4	354	355	148·2
4	936	538	43·9	24·2	37·3	31·4	379	365	157·6
1979 *1*	851	444	28·0	18·2	31·2	23·2	381	375	166·1
2	881	499	35·5	20·9	33·8	25·3	378	384	178·2
3	883	512	38·1	19·9	32·9	24·8	378	389	190·6
4	941	446	42·4	22·2†	42·5†	30·7	361	371	201·8
1980 *1*	896	402	30·1†	18·2	34·3†	27·8	351	363	211·1
2	795	331	25·2†	14·2†	31·5†	27·1†	338	339	219·3
3	770	297	21·4†	13·2	31·2	26·9†	369	340	223·4
4	668	292	21·3†	10·4	29·6†	25·1	386	364	225·1
1981 *1*	616	321	32·6†	8·7	30·3†	28·2†	384	379	228·7[4]
2	614	285	29·0†	8·3	26·0†	23·5	378	377	229·6
3		282[3]	30·1[3]	9·0[3]	29·0[3]	19·6[3]	327	350	224·5
4									
1979 *O*	..	154	14·3	5·3	12·4	9·1	125	132	199·1
N	..	142	14·0	6·7	13·9	9·9	121	123	202·6
D	..	150	14·1	10·2	16·2	11·7	115	116	204·4
1980 *J*	..	130	10·3	5·8	11·4	9·4	115	122	208·3
F	..	141	10·7	6·7	11·7†	9·1	115	121	209·1
M	..	131	9·1†	5·7	11·2†	9·3	121	120	215·0
A	..	119	8·7†	4·6	10·5†	8·1	123	112	217·7
M	..	117	8·8†	5·5†	10·3†	9·1	111	111	221·2
J	..	95	7·7	4·1	10·7†	9·9†	104	116	218·9
J	..	98	7·5†	4·3	10·7†	9·1†	124	112	222·2
A	..	104	7·5	4·2	10·5	9·0	121	116	223·1
S	..	95	6·4†	4·7	10·0†	8·7	124	112	224·9
O	..	96	6·8	3·7	10·0	8·6	119	118	224·7
N	..	96	8·1†	3·8	10·2†	8·4†	128	120	225·0
D	..	100	6·4	2·9	9·4	8·1†	139	126	225·6
1981 *J*	..	89	11·0	3·2	10·4†	8·4	112	122	225·6[4]
F	..	126	12·2	3·0	10·2†	10·7	135	131	229·5
M	..	107	9·4	2·5	9·7†	9·1†	137	126	230·5
A	..	89	8·6	2·8	8·6	8·1	129	127	231·3
M	..	112	10·7	2·8	8·9†	7·7	121	121	230·1
J	..	84	9·7	2·7	8·5	7·7	128	129	227·5
J	..	93[3]	9·6	2·6	8·9	6·4	106	117	229·2
A	..	91[3]	11·1[3]	2·8[3]	10·3[3]	6·8[3]	107	118	224·4
S	..	98[3]	9·4[3]	3·6[3]	9·8[3]	6·4[3]	114	115	220·1
O			9·4	3·6[3]	10·0[3]	5·6[3]	102	111	217·1
N									
D									

[1] Mortgages with building societies by private owners. The index covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

[2] From 1975 figures are based on a new monthly return covering 90 per cent of building society mortgages.

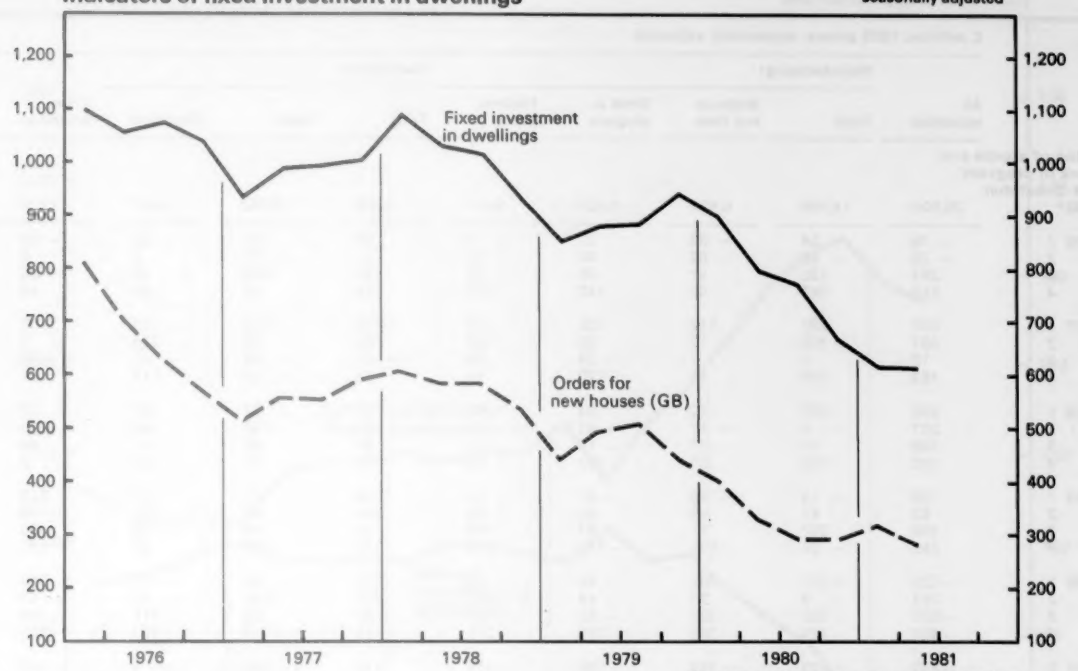
[3] Provisional.

[4] Figures are based on a new return introduced in January 1981.

[5] The discontinuity in the series arose because a register with more up to date information has been used since the June inquiry.

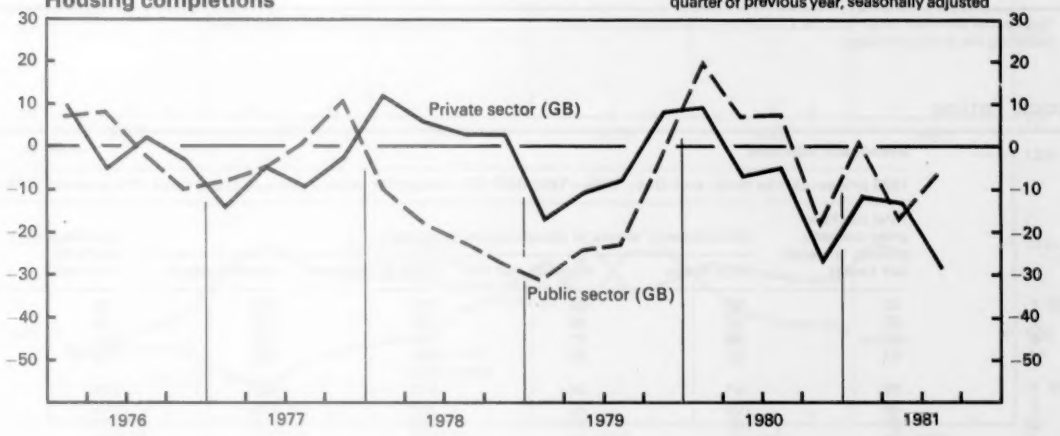
Indicators of fixed investment in dwellings

£ million, 1975 prices seasonally adjusted



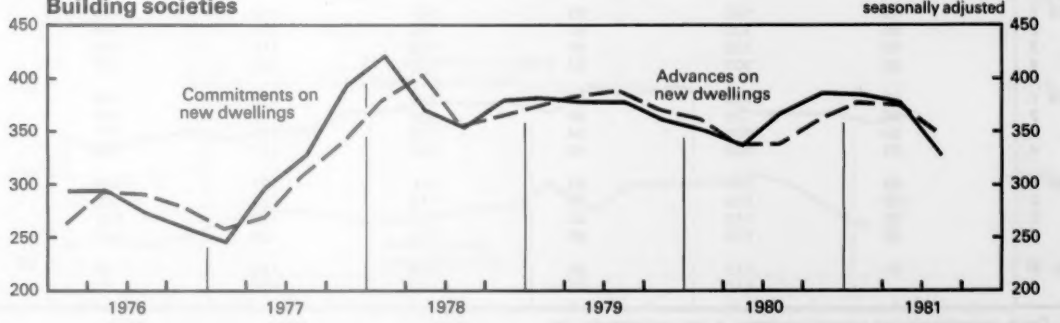
Housing completions

Percentage change, quarter on corresponding quarter of previous year, seasonally adjusted



Building societies

£ million seasonally adjusted



Stock changes

£ million, 1975 prices, seasonally adjusted

	All industries	Manufacturing[1]				Distribution			Other industries
		Total	Materials and fuels	Work in progress	Finished goods	Total	Retail	Wholesale	
Value of stocks and work in progress end-December 1980[2]	35,000	18,956	6,621	6,824	5,511	8,395	3,958	4,437	7,649
1976 *1*	− 78	− 54	− 63	13	− 4	65	41	20	− 85
2	− 76	− 68	− 62	44	− 50	—	− 17	3	6
3	263	132	91	68	− 27	182	129	70	− 68
4	515	353	62	140	152	112	75	38	49
1977 *1*	537	287	142	125	20	222	112	103	35
2	457	205	− 12	35	181	268	25	236	− 9
3	10	3	7	− 34	30	− 91	− 36	− 40	83
4	383	145	11	120	14	85	− 29	113	154
1978 *1*	245	151	52	51	49	73	32	34	28
2	207	− 4	− 17	− 32	45	93	139	− 48	120
3	188	41	17	− 13	37	87	80	21	46
4	193	140	50	157	− 66	60	77	− 22	− 2
1979 *1*	738	− 14	− 48	− 47	82	136	61	75	616
2	82	47	48	64	− 65	210	59	151	−175
3	395	202	11	67	123	13	86	− 73	180
4	289	− 24	−101	−135	212	172	147	25	141
1980 *1*	−223	−221	−207	− 49	35	−212	− 97	−115	210
2	−263	− 9	− 72	− 44	107	−211	−132	− 79	− 43
3	−537	−302	−202	− 43	− 57	− 91	20	−111	−144
4	−955	−720	−258	−192	−271	−115	− 8	−107	−120
1981 *1*	−855	−522	−149	−158	−216	115	120	− 5	−448
2	−813	−318	−149	− 77	− 93	−176	− 84	− 92	−319

[1] Differences between totals and the sum of constituent parts of manufacturing are due to rounding.

[2] Unadjusted 1975 price stock levels.

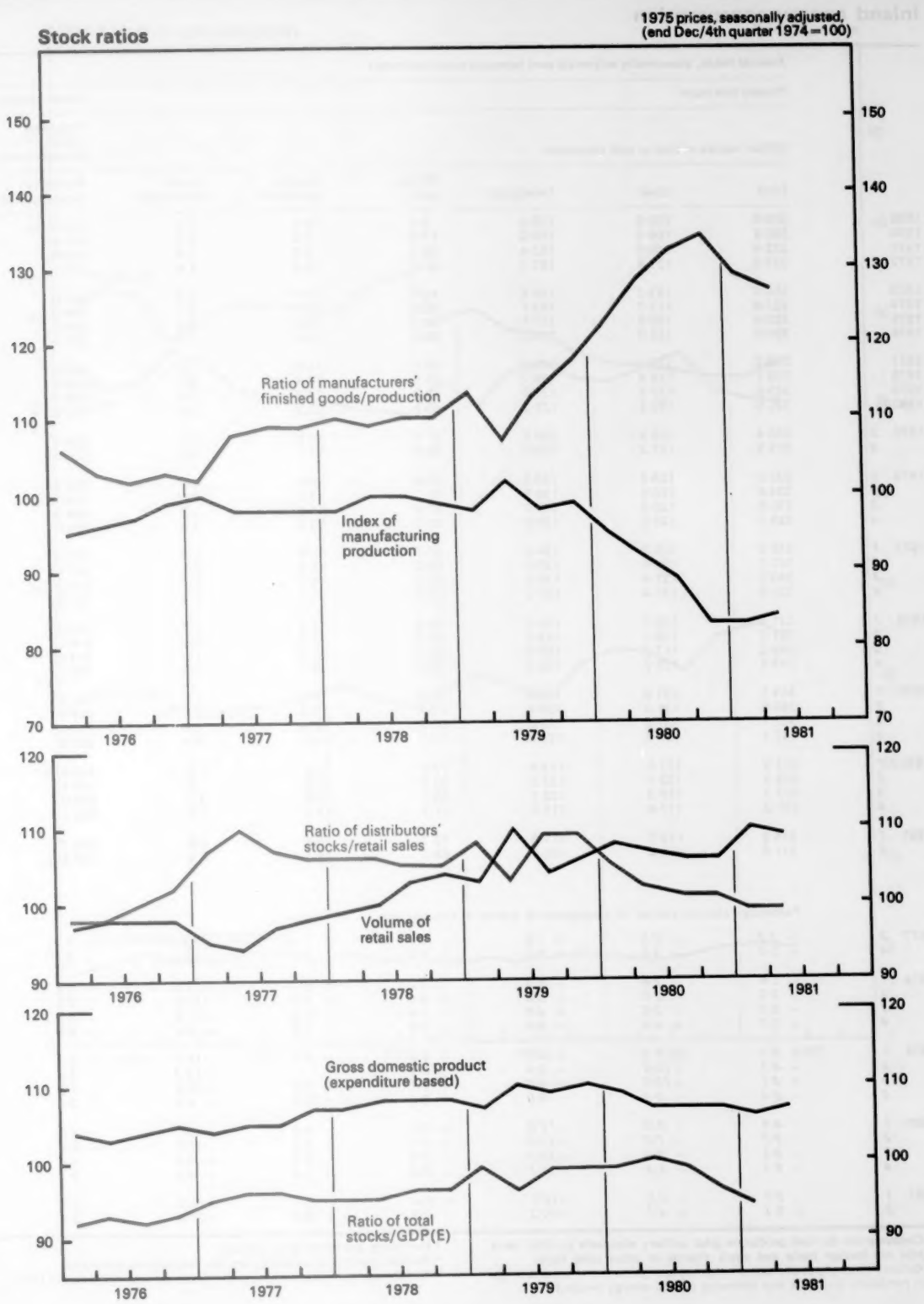
Stock ratios

Seasonally adjusted

1975 prices: stocks level, end-Dec. 1974=100; GDP (E), industrial production and retail sales, 4th quarter 1974=100

	Total stocks to gross domestic product (expenditure based)	Manufacturers' stocks to manufacturing production				Distributors' stocks to retail sales
		Total stocks	Materials and fuel	Work in progress	Finished goods	
1976 *1*	92	99	92	102	106	98
2	93	97	90	101	103	98
3	92	98	91	102	102	100
4	93	97	90	102	103	102
1977 *1*	95	97	90	102	102	107
2	96	100	92	105	108	110
3	96	101	93	105	109	107
4	95	102	93	106	109	106
1978 *1*	95	102	93	107	110	106
2	95	100	91	105	109	106
3	96	100	91	105	110	105
4	96	103	93	108	110	105
1979 *1*	99	103	93	109	113	108
2	96	99	90	105	107	103
3	99	104	94	110	113	109
4	99	103	92	107	117	109
1980 *1*	99	106	93	111	122	105
2	100	109	95	113	128	102
3	99	112	96	117	132	101
4	96	115	98	121	134	101
1981 *1*	94	112	96	119	129	99
2	..[1]	110	94	117	127	99

[1] Gross domestic product expenditure based is not available for the second quarter. See footnotes [3] and [4] on page 6.


Stock ratios
1975 prices, seasonally adjusted,
(end Dec/4th quarter 1974 = 100)
Ratio of manufacturers' finished goods/production
Index of manufacturing production
Ratio of distributors' stocks/retail sales
Volume of retail sales
Gross domestic product (expenditure based)
Ratio of total stocks/GDP(E)
1976
1977
1978
1979
1980
1981

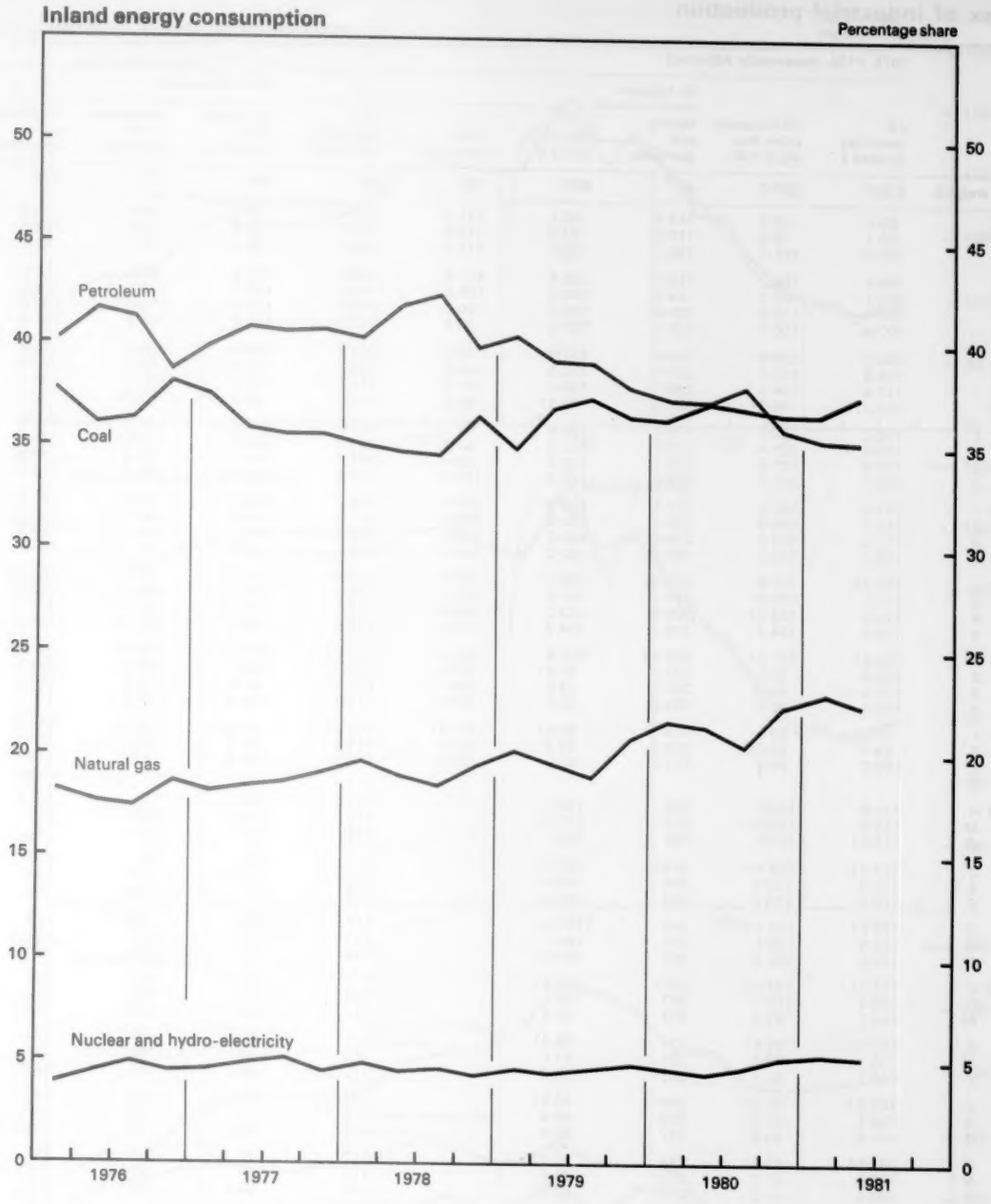
24

Inland energy consumption

Annual rates, seasonally adjusted and temperature corrected

		Primary fuel input						Public supply
		Million tonnes of coal or coal equivalent						Thousand million kilowatt hours
		Total	Coal[1]	Petroleum[2]	Natural gas[3]	Nuclear electricity[4]	Hydro electricity[4]	Electricity available (GB)[5]
1969		323·0	162·8	138·4	9·4	10·7	1·7	200·5
1970		336·3	156·8	149·8	17·8	9·5	2·4	211·6
1971		332·9	140·0	152·4	28·8	9·9	1·8	215·9
1972		337·4	121·8	162·2	41·0	10·6	1·8	224·1
1973		354·2	133·2	164·5	44·4	10·1	2·0	241·0
1974		337·9	117·7	153·1	52·9	12·1	2·1	235·5
1975		326·9	120·6	137·1	56·3	10·9	2·0	234·2
1976		331·5	123·0	134·2	59·5	12·9	1·9	236·7
1977		338·2	122·4	136·8	62·7	14·3	2·0	240·2
1978		339·1	119·4	139·2	65·0	13·4	2·1	246·3
1979		349·5	127·2	137·0	69·3	13·8	2·2	255·0
1980		326·5	120·2	121·2	69·9	13·3	2·0	245·9
1975	*3*	326·4	116·9	139·2	57·4	10·8	2·1	234·7
	4	318·9	117·2	129·2	58·5	12·0	2·0	228·5
1976	*1*	332·5	125·5	133·8	60·4	10·9	1·9	230·9
	2	334·6	120·8	139·5	59·2	12·5	2·6	240·4
	3	330·9	120·5	136·7	57·6	14·6	1·5	244·3
	4	328·0	125·2	126·8	61·0	13·4	1·6	231·4
1977	*1*	336·9	126·3	134·0	61·1	13·9	1·6	237·9
	2	337·7	121·1	137·7	62·0	14·5	2·4	242·9
	3	340·5	121·6	138·1	63·4	15·7	1·7	248·3
	4	337·5	120·4	137·3	64·3	13·1	2·4	231·9
1978	*1*	331·4	116·7	133·4	64·9	14·6	1·8	237·3
	2	341·2	118·7	142·9	64·2	13·3	2·1	248·1
	3	338·3	117·2	143·6	62·4	13·2	1·9	253·9
	4	343·4	125·2	136·7	66·5	12·5	2·5	245·7
1979	*1*	349·1	121·8	141·0	70·3	14·5	1·5	252·6
	2	355·8	131·3	139·4	69·4	13·3	2·4	257·6
	3	352·1	131·8	137·8	66·6	13·3	2·6	257·7
	4	342·1	124·8	129·8	71·1	14·0	2·4	252·0
1980	*1*	333·9	121·5	124·4	72·4	13·8	1·8	242·5
	2	328·3	122·1	122·0	69·9	12·9	1·4	248·1
	3	323·7	119·3	123·1	66·1	12·5	2·7	249·0
	4	321·2	117·6	115·4	71·7	14·2	2·3	244·1
1981	*1*	316·9	116·0	111·8	72·7	13·5	2·9	235·7
	2	311·6	116·4	109·6	69·7	14·1	1·8	238·9
		Percentage change, quarter on corresponding quarter of previous year						
1977	*3*	*+ 2·9*	*+ 0·9*	*+ 1·0*	*+10·1*	*+ 7·5*	*+13·3*	*+ 1·6*
	4	*+ 2·9*	*− 3·8*	*+ 8·3*	*+ 5·4*	*− 2·2*	*+50·0*	*+ 0·2*
1978	*1*	*− 1·6*	*− 7·6*	*− 0·5*	*+ 6·2*	*+ 5·0*	*+12·5*	*− 0·2*
	2	*+ 1·0*	*− 2·0*	*+ 3·8*	*+ 3·6*	*− 8·3*	*−12·5*	*+ 2·1*
	3	*− 0·7*	*− 3·6*	*+ 4·0*	*− 1·6*	*−15·9*	*+11·8*	*+ 2·3*
	4	*+ 1·7*	*+ 4·0*	*− 0·4*	*+ 3·4*	*− 4·6*	*+ 4·2*	*+ 6·0*
1979	*1*	*+ 5·3*	*+ 4·4*	*+ 5·7*	*+ 8·3*	*− 0·7*	*−16·7*	*+ 6·4*
	2	*+ 4·3*	*+10·6*	*− 2·4*	*+ 8·1*	*—*	*+14·3*	*+ 3·8*
	3	*+ 4·1*	*+12·5*	*− 4·0*	*+ 6·7*	*+ 0·8*	*+36·8*	*+ 1·5*
	4	*− 0·4*	*− 0·3*	*− 5·0*	*+ 6·9*	*+12·0*	*− 4·0*	*+ 2·6*
1980	*1*	*− 4·4*	*− 0·2*	*−11·8*	*+ 3·0*	*− 4·8*	*+20·0*	*− 4·0*
	2	*− 7·7*	*− 7·0*	*−12·5*	*+ 0·7*	*− 3·0*	*−41·7*	*− 3·7*
	3	*− 8·1*	*− 9·5*	*−10·7*	*− 0·8*	*− 6·0*	*+ 3·8*	*− 3·4*
	4	*− 6·1*	*− 5·8*	*−11·1*	*+ 0·8*	*+ 1·4*	*− 4·2*	*− 3·1*
1981	*1*	*− 5·1*	*− 4·5*	*−10·1*	*+ 0·4*	*− 2·2*	*+61·1*	*− 2·8*
	2	*− 5·1*	*− 4·7*	*−10·2*	*− 0·3*	*+ 9·3*	*+28·6*	*− 3·7*

[1] Consumption by fuel producers *plus* colliery disposals to final users *plus* net foreign trade and stock change in other solid fuels.
[2] Refinery throughput of crude oil *plus* net foreign trade and stock change in petroleum products *less* deliveries of non-energy products.
[3] Excluding gas flared or re-injected.
[4] Nuclear and hydro electricity are not temperature corrected.
[5] The inclusion of Northern Ireland would add about 2% to the total.

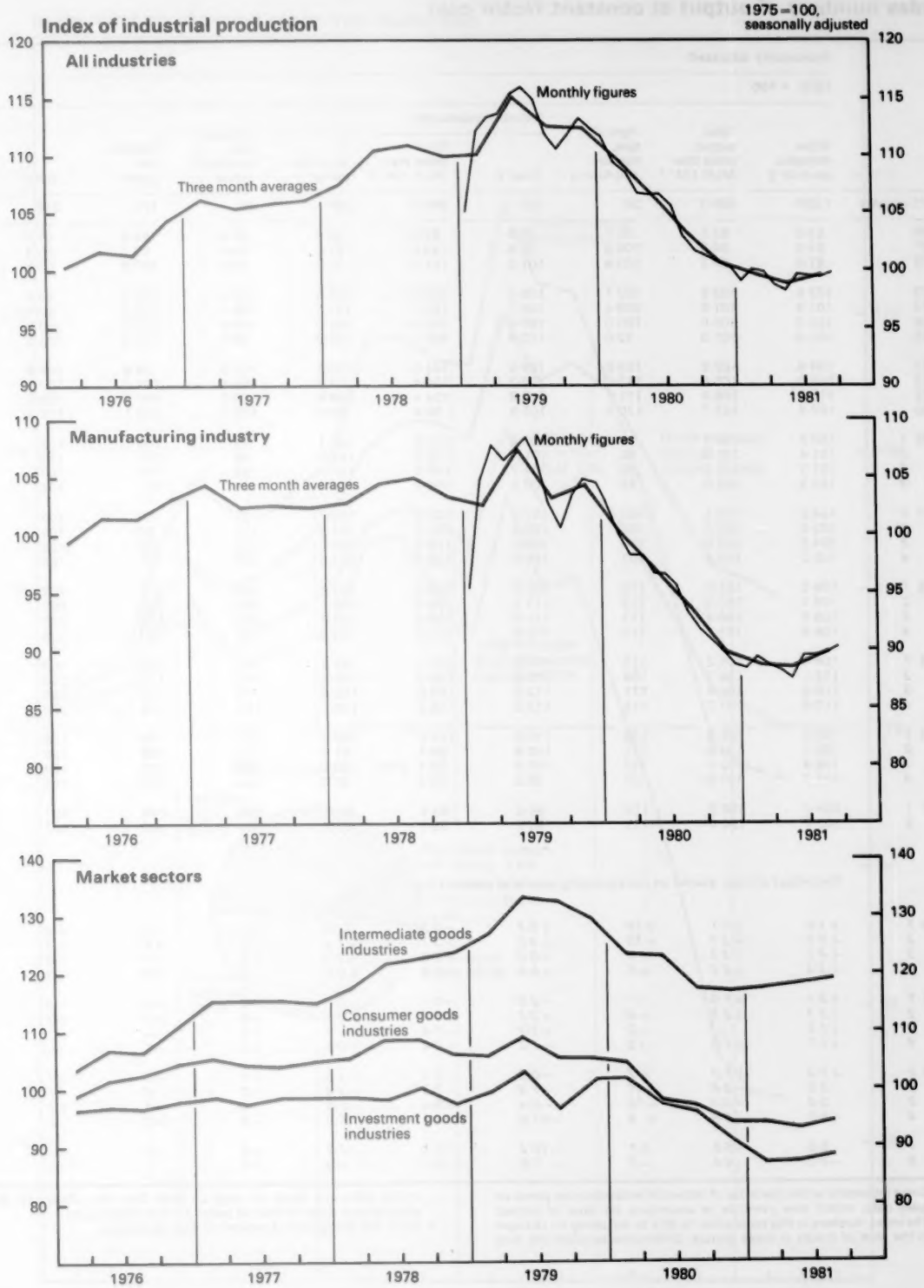

Inland energy consumption
Percentage share
Petroleum
Coal
Natural gas
Nuclear and hydro-electricity
50
45
40
35
30
25
20
15
10
5
0
1976
1977
1978
1979
1980
1981

Index of industrial production

1975 =100, seasonally adjusted

		By industry					By market sector[1]		
	All industries covered §	All industries other than MLH 104[2]	Mining and quarrying	Manufacturing §	Construction[3]	Gas, electricity and water	Consumer goods industries	Investment goods industries	Intermediate goods industries
1975 weights	*1,000*	*999·7*	*41*	*697*	*182*	*80*	*243*	*218*	*349*
1970	99·6	99·6	118·8	98·1	111·0	83·5	90·9	95·6	102·9
1971	99·7	99·6	118·8	97·5	112·9	86·7	93·3	93·6	102·1
1972	101·9	101·7	100·0	100·1	115·0	93·0	99·9	91·2	104·1
1973	109·4	109·2	110·0	108·4	117·8	98·6	107·9	99·0	112·6
1974	105·1	105·1	89·7	106·6	105·6	98·5	106·0	102·1	106·0
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	102·0	100·7	126·1	101·4	98·6	102·3	101·8	96·9	107·0
1977	105·9	101·9	188·4	102·9	98·2	106·4	104·6	98·2	115·4
1978	109·8	104·1	233·1	103·9	104·9	109·7	107·0	98·7	121·4
1979	112·6	104·3	295·7	104·4	101·3	116·1	106·4	100·2	130·6
1980	105·3†	96·7†	301·3†	95·3†	95·9	113·0	98·4	97·0†	120·3
1977 *1*	106·1	102·7	175·7	104·5	97·0	104·9	105·5	98·6	115·5
2	105·4	101·4	191·1	102·3	97·2	107·9	104·0	97·3	115·8
3	105·9	101·8	190·7	102·7	98·4	107·2	104·1	98·4	115·6
4	106·1	101·7	196·0	102·3	100·4	105·8	104·7	98·3	114·8
1978 *1*	107·4	102·5	210·4	102·8	102·1	106·5	105·2	98·5	117·6
2	110·7	105·0	230·3	104·6	106·9	111·2	108·5	98·1	122·0
3	111·2	105·3	236·5	105·0	106·2	112·3	108·4	100·2	122·5
4	110·1	103·4	255·2	103·2	104·5	108·8	105·9	97·7	123·6
1979 *1*	110·2†	102·5	278·9†	102·7	97·0	119·8†	105·7	99·8†	126·8†
2	115·1	106·6	298·3	107·4	102·7	116·9	109·2	103·1	133·3
3	112·6	103·7†	309·6	103·2	103·0	115·1	105·4†	96·7	132·6
4	112·5	104·2	296·2	104·3	102·5	112·4	105·5	101·4	129·8
1980 *1*	109·8†	101·2†	305·8†	100·3	101·0†	113·0†	104·3†	102·0†	123·4†
2	106·8	98·3	297·7	97·4†	97·5	112·2	98·1	98·0	123·3
3	103·5	95·3	291·8	93·6	94·7	113·0	96·9	96·4	117·4
4	100·9	92·0	309·8	90·0	90·3	113·7	94·4	91·6	117·1
1981 *1*	99·7†	90·3	318·3†	88·9†	87·0†	110·0†	93·9†	88·3†	117·3†
2	99·1	89·9†	315·2	89·0	82·8	113·3	93·5	88·7	118·0
3	100·2	90·9	317·6	90·2	85·0	110·9	94·5	89·2	119·1
4									
1979 *A*	113·8	106·0	283	106·5	..	117†	108	103	131†
M	115·5	106·9†	303	107·5†	..	119	110†	103	134
J	115·9†	107·0	309	108·1	..	115	110	103	135
J	114·9†	105·8†	315†	106·3†	..	115	108	101	135
A	111·9	103·3	306	102·4	..	116	104†	98	132
S	110·9	102·2	308	100·9	..	115	104	94†	130
O	111·7†	103·2†	300	103·0†	..	111	104	99†	129
N	113·3	105·1	296	105·1	..	117†	106	103	131
D	112·5	104·4	293	104·9	..	110	106	102	129
1980 *J*	111·4†	103·0†	301†	102·4†	..	117	106†	103	126
F	109·4	100·7	307	100·1	..	109	104	103	122
M	108·7	99·9	309	98·3	..	114	102	100†	123
A	106·9†	98·8†	290	98·3†	..	110	99	99†	123†
M	106·7	98·1	301	97·1	..	112	97	98	124
J	106·7	98·1	302†	96·6	..	115	98	97	123
J	105·6†	97·2†	299†	95·5†	..	119†	99	97	121
A	103·1	95·0	289	93·4	..	111	97	97†	116
S	101·8	93·8	287	92·0	..	108	95	95	115†
O	101·5†	93·0†	299	91·0†	..	117	95	93	117
N	100·9	91·9	312†	89·9	..	113	94	92†	117
D	100·4	91·2	318	89·0	..	111	94†	90	117
1981 *J*	99·1	90·0	313†	88·5†	..	109	93†	89†	116
F	100·0	90·6	317	89·4	..	110	95	88	118
M	100·0†	90·3†	325	88·9	..	110†	94	88	118†
A	99·1†	89·6†	324	88·8†	..	111†	94	89†	118†
M	98·4	89·5	310†	88·2	..	115	93†	88	117
J	99·7	90·6	312	89·9	..	114	94	89	119
J	100·0†	90·9†	312†	89·7†	..	115†	94†	89†	119
A	100·0	90·7	317	90·1	..	110	95	89	118
S	100·6	91·1	324	90·8	..	107	94	90	120
O	102·3†	92·4†	333†	91·5†	..	118†	95†	90†	124†

[1] All industries other than construction.
[2] MLH 104: extraction of mineral oil and natural gas.
[3] For an index of construction output for Great Britain, see page 30.


Index of industrial production
1975 = 100, seasonally adjusted
All industries
Monthly figures
Three month averages
Manufacturing industry
Monthly figures
Three month averages
Market sectors
Intermediate goods industries
Consumer goods industries
Investment goods industries
1976
1977
1978
1979
1980
1981

Index numbers of output at constant factor cost

Seasonally adjusted

1975 = 100

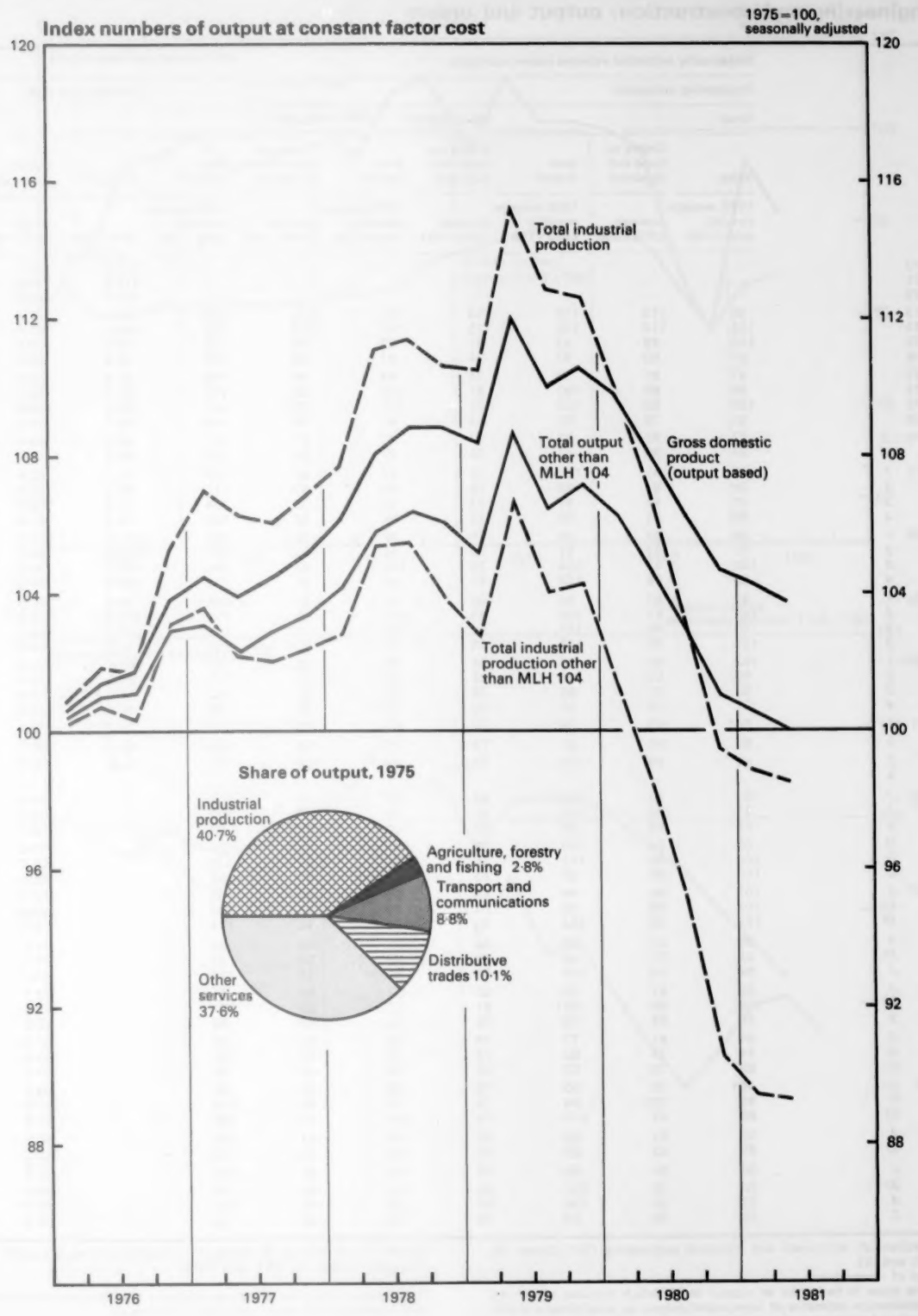
	Gross domestic product[1] §	Total output other than MLH 104[1,2]	Agriculture, forestry and fishing	Industrial production			Transport and communication	Distributive trades	Other
				Total[1] §	Total other than MLH 104[1,2]	Manufacturing[1]			
1975 weights	*1,000*	*999·9*	*28*	*407*	*406·6*	*283*	*88*	*101*	*376*
1970	93·5	93·5	95·5	99·9	99·8	98·4	86·8	94·6	87·8
1971	94·9	94·8	100·6	99·6	99·5	97·3	89·1	96·1	90·4
1972	97·8	97·7	103·8	101·6	101·4	99·7	93·4	100·9	93·6
1973	103·5	103·5	107·1	109·7	109·5	108·8	100·5	106·8	96·4
1974	101·9	101·9	108·4	105·7	105·7	107·5	100·7	103·3	97·1
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	101·9	101·3	92·0	102·4	101·1	102·0	99·1	100·8	103·0
1977	104·6	102·9	103·6	106·5	102·5	103·9	101·9	99·5	104·5
1978	108·0	105·6	112·0	110·2	104·4	104·4	104·6	104·6	107·0
1979	110·3	106·9	111·1	112·8	104·4	104·6	110·2	108·3	108·0
1980	107·2	103·7	120·5	104·9	96·4	94·8	109·7	106·1	108·3
1976 *1*	100·6	100·4	93	100·8	100·2	100·1	98	100	102
2	101·4	101·0	90	101·8	100·7	101·6	98	101	103
3	101·7	101·1	90	101·7	100·3	101·9	99	101	103
4	103·8	102·9	95	105·3	103·1	104·4	101	101	104
1977 *1*	104·5	103·1	100	107·0	103·6	105·7	103	100	104
2	103·9	102·3	103	106·3	102·2	103·5	101	98	104
3	104·5	102·9	105	106·1	102·0	103·0	102	100	105
4	105·2	103·4	107	106·8	102·4	103·3	102	101	105
1978 *1*	106·2	104·2	110	107·7	102·8	103·3	103	102	106
2	108·1	105·8	113	111·1	105·4	105·1	104	104	106
3	108·8	106·4	113	111·4	105·5	105·4	104	106	108
4	108·8	105·1	112	110·6	103·9	103·9	107	107	108
1979 *1*	108·4	105·2	110	110·5	102·7	103·0	105	106	108
2	112·1	108·7	109	115·2	106·7	107·5	112	113	109
3	110·0	106·4	111	112·8	104·0	103·6	113	106	107
4	110·6	107·2	114	112·6	104·3	104·4	112	108	108
1980 *1*	109·8	106·3	118	110·0	101·3	100·4	112	108	109
2	108·1	104·6	121	106·8	98·4	97·4	110	106	108
3	106·3	102·9	122	103·3	95·1	93·4	109	105	108
4	104·7	101·0	121	99·5	90·6	87·9	108	105	108
1981 *1*	104·3	100·5	119	98·8	89·4	87·6	108	106	108
2	103·7	100·0	119	98·5	89·3	88·2	105	106	107

Percentage change, quarter on corresponding quarter of previous year

1978 *1*	*+1·6*	*+1·1*	*+10*	*+0·7*	*−0·8*	*−2·3*	—	*+2*	*+2*
2	*+4·0*	*+3·4*	*+10*	*+4·5*	*+3·1*	*+1·5*	*+3*	*+6*	*+2*
3	*+4·1*	*+3·4*	*+8*	*+5·0*	*+3·4*	*+2·3*	*+2*	*+6*	*+3*
4	*+3·4*	*+2·6*	*+5*	*+3·6*	*+1·5*	*+0·6*	*+5*	*+6*	*+3*
1979 *1*	*+2·1*	*+1·0*	—	*+2·6*	*−0·1*	*−0·3*	*+2*	*+4*	*+2*
2	*+3·7*	*+2·7*	*−4*	*+3·7*	*+1·2*	*+2·3*	*+8*	*+9*	*+3*
3	*+1·1*	—	*−2*	*+1·3*	*−1·4*	*−1·7*	*+9*	—	*−1*
4	*+1·7*	*+1·0*	*+2*	*+1·8*	*+0·4*	*+0·5*	*+5*	*+1*	—
1980 *1*	*+1·3*	*+1·0*	*+7*	*−0·5*	*−1·4*	*−2·5*	*+7*	*+2*	*+1*
2	*−3·6*	*−3·8*	*+11*	*−7·3*	*−7·8*	*−9·4*	*−2*	*−6*	*−1*
3	*−3·4*	*−3·3*	*+10*	*−8·4*	*−8·6*	*−9·8*	*−4*	*−1*	*+1*
4	*−5·3*	*−5·8*	*+ 6*	*−11·6*	*−13·1*	*−15·8*	*−4*	*−3*	—
1981 *1*	*−5·0*	*−5·5*	*+1*	*−10·2*	*−11·7*	*−12·7*	*−4*	*−2*	*−1*
2	*−4·0*	*−4·4*	*−2*	*− 7·8*	*− 9·2*	*− 9·4*	*−4*	—	*−1*

[1] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers in this table allow for this by adjusting for changes in the level of stocks in these sectors. Differences between the data in this table and those on page 26 arise from this adjustment and also because page 26 may be based on later information.

[2] MLH 104: Extraction of mineral oil and natural gas.


Index numbers of output at constant factor cost
1975=100, seasonally adjusted
120
116
112
108
104
100
96
92
88
Total industrial production
Total output other than MLH 104
Gross domestic product (output based)
Total industrial production other than MLH 104
Share of output, 1975
Industrial production 40·7%
Agriculture, forestry and fishing 2·8%
Transport and communications 8·8%
Distributive trades 10·1%
Other services 37·6%
1976
1977
1978
1979
1980
1981

Engineering and construction: output and orders

Seasonally adjusted volume index numbers

		Engineering industries[1]							Construction (GB)	
		Total			Home market		Export			
		Sales	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Orders on hand end of period	New orders[2]	Output[3,4]	Orders received[6]
		1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	Average 1975 =100	1975 average monthly sales =100	1975 =100	1975 =100
1970		..	..	..	..	..	..	..	115·2	131·1
1971		..	..	..	..	..	..	..	116·2	139·2
1972		..	..	..	..	..	..	..	117·4	146·3
1973		98	113	116	119	121	100	105	118·1	141·4
1974		102	114	103	115	102	112	106	106·0	101·1
1975		100	88	83	87	83	89	84	100·0	100·0
1976		97	80	92	74	87	93	103	98·5	105·5
1977		97	81	98	74	93	96	108	97·9	94·6
1978		99	86	102	81	100	96	105	104·4	98·5
1979		100	89	102	85	100	97†	107	100·7	88·1
1980		97	79	91	73	87	90	100	95·7	75·2
1976	*3*	97	80	97	77	91	87	112	96·2	98·6
	4	97	80	97	74	87	93	120	99·4	95·9
1977	*1*	98	81	100	74	97	95	107	97·1	92·4
	2	96	81	96	73	89	97	113	96·5	93·4
	3	97	81	97	73	93	96	106	97·9	94·8
	4	96	81	98	74	94	96	108	99·9	97·8
1978	*1*	98	82	99	75	97	96	104	101·7	102·8
	2	97	82	97	75	96	94	101	106·8	96·2
	3	100	83	104	76	100	97	114	105·5	99·2
	4	99	86	106	81	108	96	102	103·8	95·8
1979	*1*	97	87	98	82	95	97	105	96·4	87·0
	2	105	87	106	83	104	96	112	101·9	93·9
	3	98	89	101	85	101	97	102	102·3	85·2
	4	102	89	103	85	99	97†	110	102·2	86·4
1980[5]	*1*	102	88	99	84	98	95	102	100·4	80·9
	2	99	88	98	83	93	97	112	97·2	75·4
	3	98	83	86	78	83	92	94	94·7	70·4
	4	91	79	81	73	76†	90	92	90·4	74·3
1981	*1*	88†	83	98†	78	96	93	103	86·7	79·7
	2	90	84	91	78	87	94	102	82·4	80·3
	3	90	88	103	79	89	106	134	84·5[5]	76·4[5]
	4									
1979	*J*	101	88	106	84	107	96	103	..	94·6
	A	97	89	102	85	99	97	109	..	84·9
	S	95	89	95	85	96	97	93	..	76·2
	O	98	89	100	85	97	97	106	..	91·6
	N	106	90	111	86	108	97	120	..	84·7
	D	103	89	96	85	93	97	103	..	82·8
1980[5]	*J*	101	88	95	84	96	96	95	..	79·3
	F	102	88	99	84	99	95	99	..	83·8
	M	103	88	104	84	100	95	114	..	79·6
	A	99	87	93	84	91	94	99	..	79·8
	M	99	87	94	83	93	93	97	..	71·6
	J	99	88	108	83	95	97	138	..	74·7
	J	96	87	88	82	87	95	91	..	72·1
	A	102	86	95†	81	90†	95	107	..	66·5
	S	96	83	75	78	70	92	85	..	72·5
	O	94	81	77	76	74	90	83	..	67·5
	N	94	79	83	74	75	90	102	..	72·9
	D	85	79	82	73	79	90	90	..	82·2
1981	*J*	86†	79	90	74	89	90	91	..	84·8
	F	89	80†	94	74	85	92	116	..	81·4
	M	88	83	110	78	114	93	100	..	72·8
	A	90	83	90	78	86	93	102	..	66·2
	M	88	83	86	78	84	93	90		82·2
	J	90	84	98	78	91	94	113		92·6
	J	89	85	100	80	97	95	107		81·2
	A	92	89	125	81	95	106	197		79·8[5]
	S	89	88	83	79	76	106	98		68·3[5]

[1] Mechanical, instrument and electrical engineering (SIC Orders VII, VIII and IX).

[2] Net of cancellations.

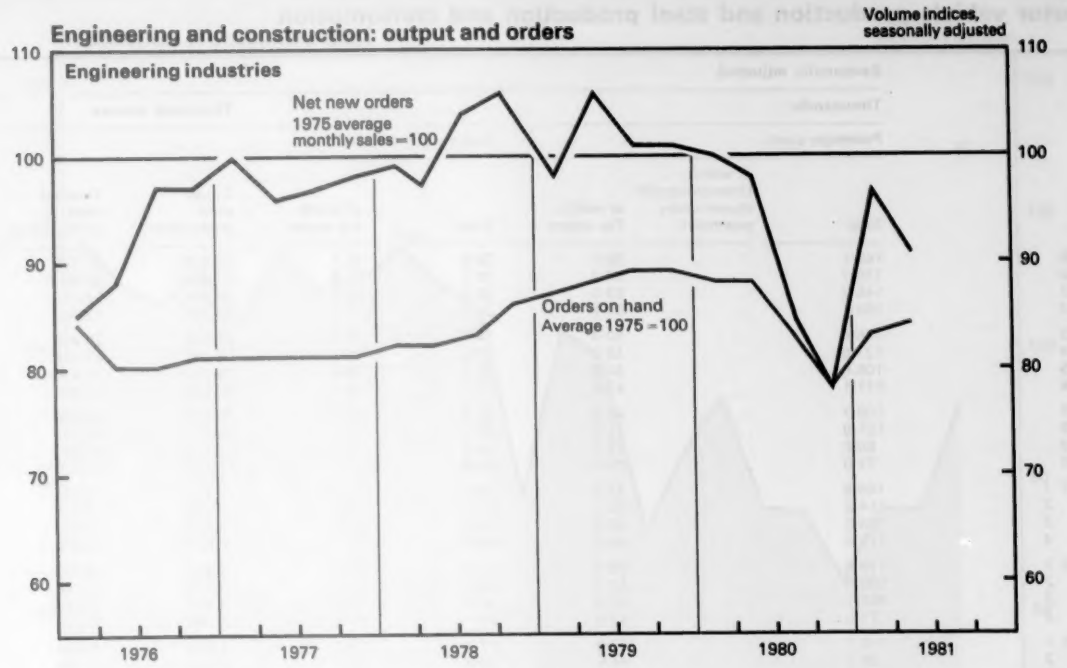
[3] This index is based on an output series which includes repair and maintenance estimates of unrecorded output by small firms and self-employed workers and output by the direct labour departments of the public sector.

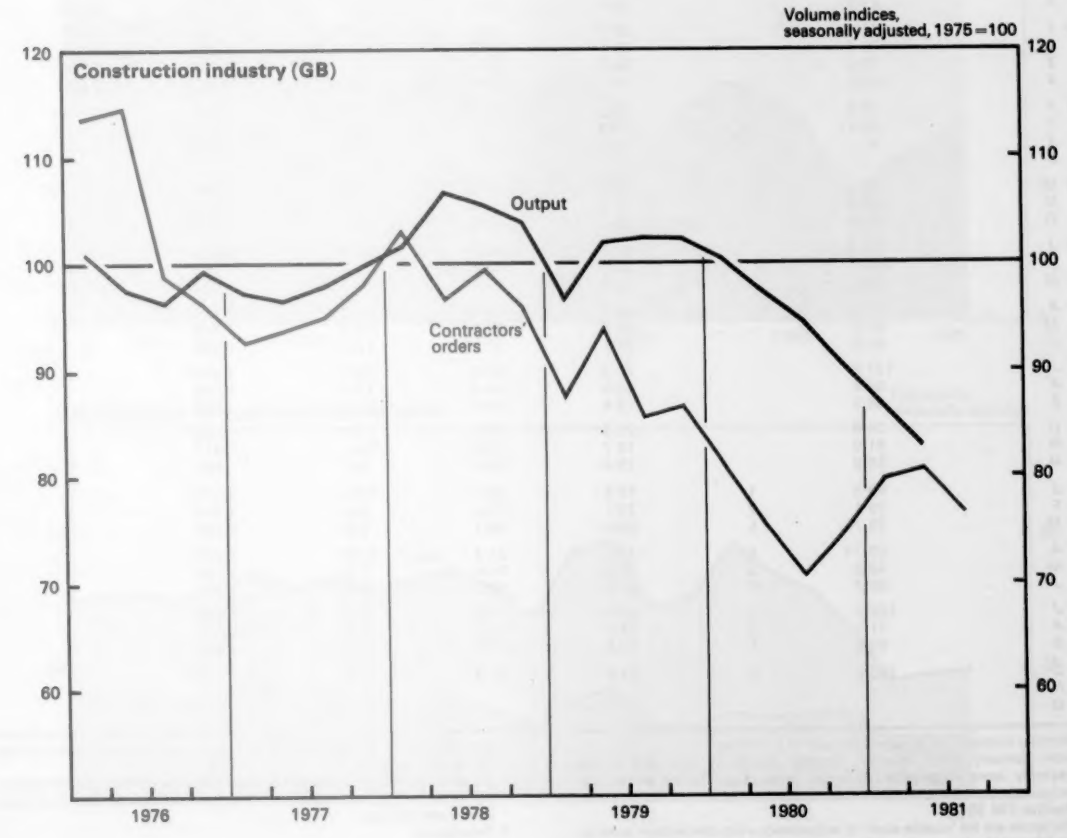
[4] Details of the method of deflation to constant prices are given in *Economic Trends*, No. 297, July 1978.

[5] Provisional.

[6] The discontinuity in the series arose because a register with more up to date information has been used since June inquiry.

Engineering and construction: output and orders

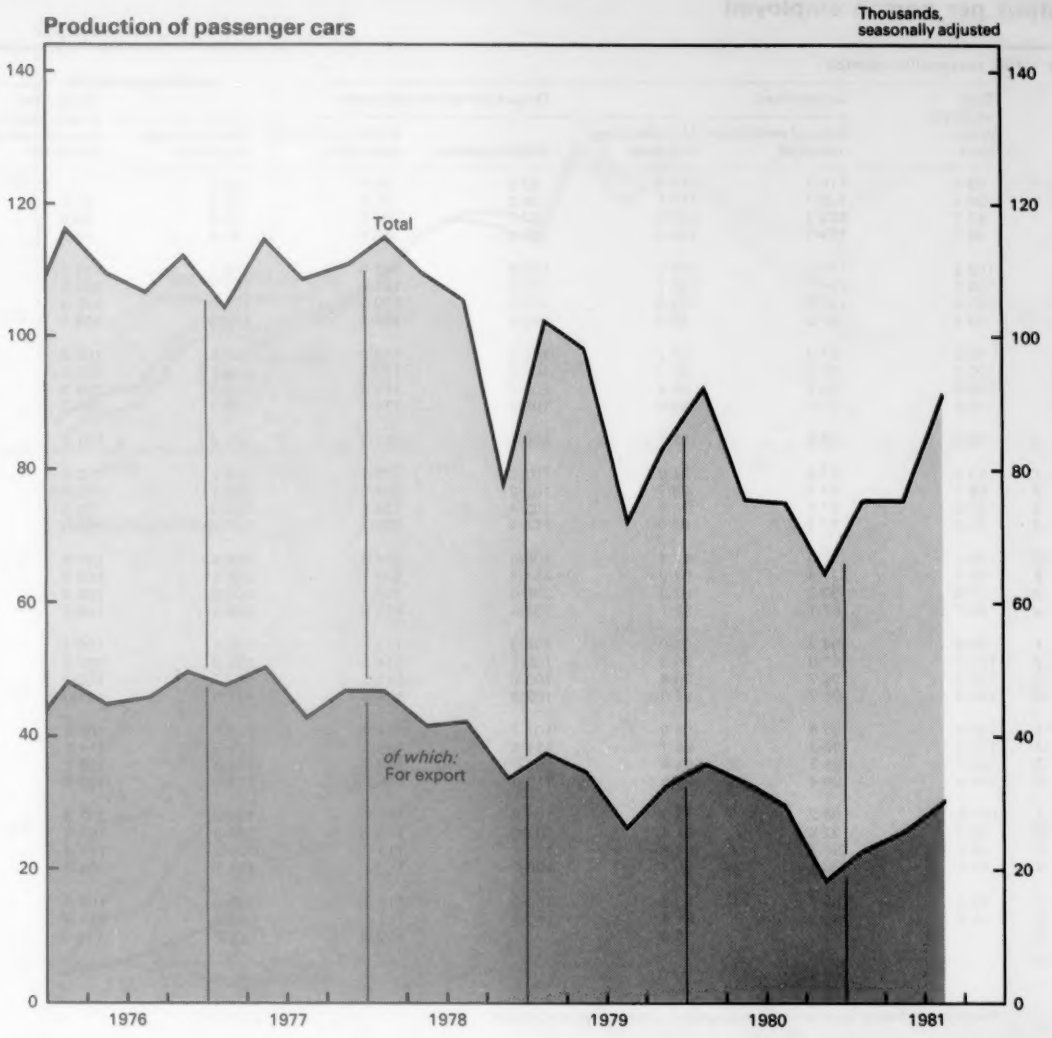


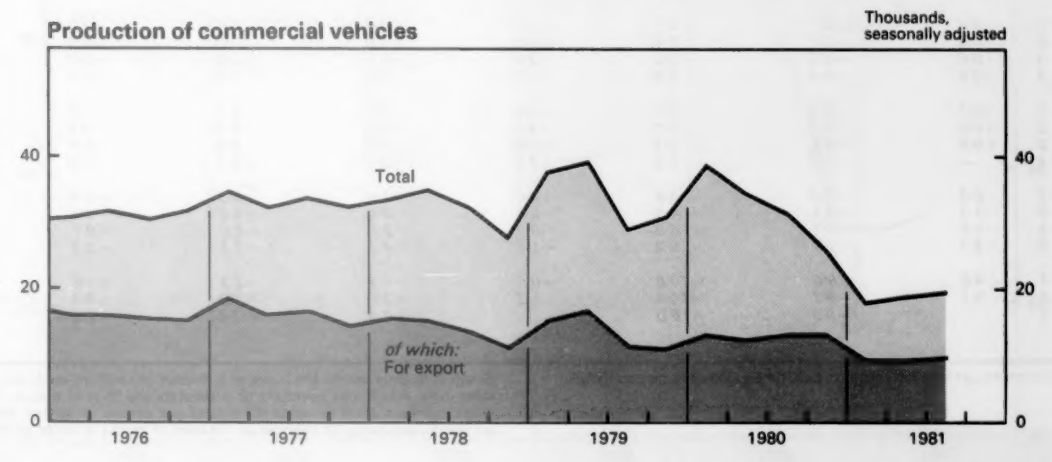


Motor vehicle production and steel production and consumption

		Seasonally adjusted						
		Thousands[1]					Thousand tonnes	
		Passenger cars§			Commercial vehicles§			
		Total	*of which* Units previously shown under assembly[2]	*of which:* For export	Total	*of which:* For export	Crude steel production[3], [4]	Finished steel consumption
1969		143·1	..	68·7	38·8	16·1	26,876	17,782
1970		136·7	..	60·2	38·1	15·8	27,862[5]	17,637[5]
1971		145·2	..	59·5	38·0	15·7	24,274	16,722
1972		160·1	..	51·1	34·0	11·3	25,351	16,750
1973		145·6	..	50·4	34·7	13·3	26,684	18,445
1974		127·8	..	49·7	33·5	14·2	22,362	17,548
1975		105·6	..	44·3	31·7	15·5	19,737[6]	15,446[6]
1976		111·1	..	47·1	31·0	15·8	22,236	15,804
1977		109·7	..	46·9	33·2	16·4	20,385	15,300
1978		101·9	..	41·2	32·0	14·1	20,237	15,593
1979		89·2	..	32·7	34·0	13·5	21,412	15,322
1980		77·0	..	29·1	32·4	13·0	11,387	12,580[8]
1977	*1*	104·6	..	47·8	34·6	18·3	5,417	3,744
	2	114·8	..	50·1	32·1	16·1	4,908	3,758
	3	108·9	..	42·8	33·6	16·5	5,419	3,974
	4	110·3	..	46·9	32·4	14·7	4,641	3,824
1978	*1*	114·9	..	46·9	33·2	15·7	4,957	4,202
	2	109·4	..	41·9	35·0	15·2	5,278	3,949
	3	105·7	..	42·2	32·3	13·9	4,757	3,910
	4	77·6	..	33·9	27·7	11·6	5,245	3,522
1979	*1*	102·7	..	37·6	37·7	15·2	4,954	3,644
	2	98·1	..	34·9	39·0	16·3	5,720	3,916
	3	72·2	..	26·0	28·9	11·7	5,485	3,754
	4	83·8	..	32·4	30·5	11·0	5,252	3,930
1980	*1*	92·4	..	35·9	38·5	13·0	764	3,017
	2	75·7	..	33·1	34·3	12·2	4,098	3,434
	3	75·4	..	29·5	31·5	13·4	3,498	3,152
	4	64·5	..	18·1	25·4	13·5	3,027	2,985
1981	*1*	75·4	3	23·2	17·6	9·4	3,585	3,010[8]
	2	75·4†	4	25·8	18·2	9·2	3,892	..
	3	91·6	3	30·1	19·2	9·6	4,115[8]	..
	4						..	..
1979	*O*	76·5	..	24·5	26·5	10·1	2,098[7]	..
	N	84·6	..	36·2	32·4	11·6	1,668	..
	D	90·3	..	35·7	32·6	11·3	1,486	..
1980	*J*	97·9	..	40·1	38·7	14·9	325[7]	..
	F	103·7	..	39·0	43·6	14·2	125	..
	M	75·5	..	28·5	33·1	9·8	334	..
	A	79·6	..	34·1	34·7	12·2	1,164[7]	..
	M	64·8	..	29·0	31·2	11·2	1,408	..
	J	82·6	..	36·1	37·2	13·4	1,526	..
	J	101·5	..	40·4	40·5	15·7	1,634[7]	..
	A	64·5	..	28·6	27·4	12·9	1,056	..
	S	60·3	..	19·4	26·5	11·6	808	..
	O	74·6	..	22·3	28·5	14·7	1,065[7]	..
	N	61·9	..	16·7	27·8	16·1	977	..
	D	56·9	..	15·4	20·0	9·7	985	..
1981	*J*	69·3	1	16·9	18·7	10·4	1,177[7]	..
	F	78·1	2	23·1	17·4	9·0	1,219	..
	M	78·7	5	29·5	16·7	8·9	1,189	..
	A	90·7†	5	33·3	21·4	11·0	1,470[7]	..
	M	49·2	3	16·5	14·0	7·3	1,128	..
	J	86·2	5	27·5	19·2	9·4	1,294	..
	J	106·5	2	32·6	21·5	9·6	1,650[7]	..
	A	71·7	2	24·1	15·2	9·3	1,013	..
	S	96·6	4	33·6	20·8	9·8	1,452[7], [8]	
	O	102·6	5	32·0	22·4	11·5	1,221[8]	
	N							
	D							

[1] Monthly averages or standardised calendar months.
[2] From January 1981, certain models previously recorded under assembly were re-categorised under production. These are almost exclusively built for the home market. Further details are in Business Monitor PM 381.
[3] The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.
[4] The seasonally adjusted quarterly figures are not constrained to sum to the annual totals.
[5] 53-week period; reduced to 52-week basis for comparison purposes.
[6] 14-week period; reduced to 13-week basis for comparison purposes.
[7] Five-week periods.
[8] Provisional.


Production of passenger cars
Thousands, seasonally adjusted
140
120
100
80
60
40
20
0
Total
of which: For export
1976
1977
1978
1979
1980
1981


Production of commercial vehicles
Thousands, seasonally adjusted
40
20
0
Total
of which: For export
1976
1977
1978
1979
1980
1981

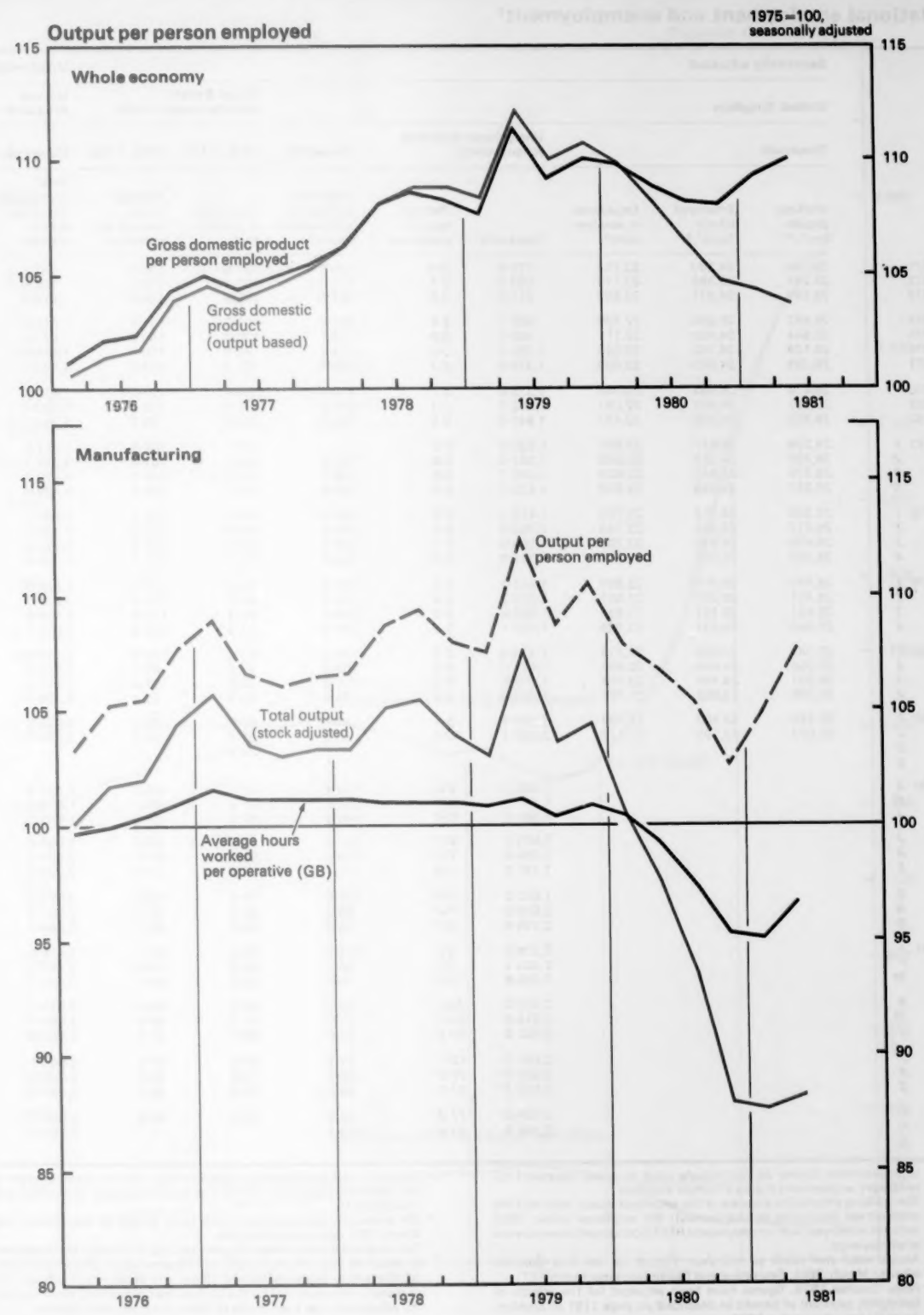
Output per person employed

1975 = 100, seasonally adjusted

	Total employed labour force	Employment: Index of production industries	Employment: Manufacturing industries	Output per person employed[1]: Whole economy	Output per person employed[1]: Index of production industries[2]	Output per person employed[1]: Manufacturing industries[2]	Output per person hour in manufacturing industries[2]
1969	99·7	110·3	111·3	92·2	90·5	88·1	..
1970	99·3	108·7	111·1	94·2	91·9	88·6	85·5
1971	97·7	105·4	107·5	97·1	94·5	90·6	88·9
1972	98·1	103·1	104·0	99·8	98·6	95·8	94·4
1973	100·2	104·5	104·5	103·4	105·0	104·1	101·1
1974	100·6	104·1	104·7	101·3	101·6	102·7	101·8
1975	100·0	100·0	100·0	100·0	100·0	100·0	100·0
1976	99·4	97·5	96·9	102·6	105·1	105·3	105·1
1977	99·6	97·3	97·2	105·0	109·5	107·0	105·9
1978	100·2	96·9	96·7	107·8	113·7	108·1	107·1
1979	100·6	96·1	95·4	109·6	117·4	109·7	108·9
1980	98·6	91·5	89·8	108·7	114·9	105·7	107·2
1975 *4*	99·7	98·3	97·7	100·1	101·2	101·2	101·5
1976 *1*	99·4	97·8	97·0	101·2	103·1	103·2	103·5
2	99·3	97·4	96·7	102·2	104·5	105·1	105·1
3	99·3	97·3	96·7	102·4	104·5	105·3	105·0
4	99·4	97·4	97·0	104·4	108·2	107·6	106·9
1977 *1*	99·5	97·3	97·1	105·0	109·9	108·9	107·6
2	99·6	97·4	97·2	104·4	109·1	106·5	105·5
3	99·6	97·2	97·2	105·0	109·1	106·0	105·0
4	99·7	97·1	97·1	105·5	110·0	106·4	105·5
1978 *1*	99·9	97·2	97·0	106·3	110·8	106·5	105·4
2	100·0	97·0	96·8	108·1	114·5	108·6	107·8
3	100·2	96·7	96·5	108·6	115·2	109·2	108·2
4	100·5	96·7	96·3	108·3	114·4	107·9	107·0
1979 *1*	100·6	96·4	95·9	107·7	114·6	107·4	106·5
2	100·6	96·3	95·7	111·4	119·6	112·3	111·1
3	100·7	96·2	95·4	109·2	117·3	108·6	108·1
4	100·5	95·4	94·5	110·0	118·1	110·6	109·8
1980 *1*	100·0	94·2	93·2	109·8	116·7	107·7	107·3
2	99·3	92·8	91·4	108·8	115·3	106·8	107·4
3	98·2	90·7	88·8	108·2	114·0	105·3	107·3
4	96·8	88·1	85·8	108·1	113·4	103·1	106·9
1981 *1*	95·4	85·7	83·3	109·3	115·4	105·4	109·4
2	94·2	83·8	81·4	110·1	117·6	108·4	111·3
3	..	82·3	79·9	..	122·0	113·2	115·0
	Percentage change, quarter on corresponding quarter of previous year						
1977 *4*	*+0·3*	*−0·3*	*+0·1*	*+1·1*	*+1·7*	*−1·1*	*−1·3*
1978 *1*	*+0·4*	*−0·1*	*− 0·1*	*+1·2*	*+0·8*	*−2·2*	*−2·0*
2	*+0·4*	*−0·4*	*− 0·4*	*+3·5*	*+5·0*	*+2·0*	*+2·2*
3	*+0·6*	*−0·5*	*− 0·7*	*+3·4*	*+5·6*	*+3·0*	*+3·0*
4	*+0·8*	*−0·4*	*− 0·8*	*+2·7*	*+4·0*	*+1·4*	*+1·4*
1979 *1*	*+0·7*	*−0·8*	*− 1·1*	*+1·3*	*+3·4*	*+0·8*	*+1·0*
2	*+0·6*	*−0·7*	*− 1·1*	*+3·1*	*+4·5*	*+3·4*	*+3·1*
3	*+0·5*	*−0·5*	*− 1·1*	*+0·6*	*+1·8*	*−0·6*	*−0·1*
4	—	*−1·3*	*− 1·9*	*+1·6*	*+3·1*	*+2·4*	*+2·5*
1980 *1*	*−0·6*	*−2·3*	*− 2·8*	*+2·0*	*+1·9*	*+0·3*	*+0·8*
2	*−1·3*	*−3·6*	*− 4·5*	*−2·3*	*−3·8*	*−5·2*	*−3·5*
3	*−2·5*	*−5·7*	*− 6·9*	*−0·9*	*−2·8*	*−3·0*	*−0·7*
4	*−3·7*	*−7·7*	*− 9·2*	*−1·7*	*−4·2*	*−7·1*	*−2·9*
1981 *1*	*−4·6*	*−9·0*	*−10·6*	*−0·5*	*−1·3*	*−2·2*	*+1·8*
2	*−5·1*	*−9·7*	*−10·9*	*+1·2*	*+2·0*	*+1·3*	*+3·2*
3	..	*−9·3*	*−10·0*	..	*+7·0*	*+7·5*	*+7·2*

[1] The ratios do not take into account part-time working or hours of work.

[2] Some indicators within the index of industrial production are based on sales data, which may overstate or understate the level of output. The index numbers used to calculate output per person employed allow for this by adjusting for changes in the level of stocks in these sectors.


Output per person employed
1975=100, seasonally adjusted
Whole economy
Gross domestic product per person employed
Gross domestic product (output based)
Manufacturing
Output per person employed
Total output (stock adjusted)
Average hours worked per operative (GB)
115
110
105
100
95
90
85
80
1976
1977
1978
1979
1980
1981

National employment and unemployment[1]

		Seasonally adjusted								Unadjusted
		United Kingdom						Great Britain Manufacturing industry		United Kingdom
		Thousands			Unemployed excluding school leavers		Thousands	1975 = 100	1975 = 100	Thousands
		Working population[2,3,4]	Employed labour force[2,3]	Employees in employment[3]	Thousands[4,6]	Percentage of employees[5,6]	Vacancies notified to employment offices§[6]	Employees in employment	Average hours worked per operative	Total unemployed including school leavers[4]
1971		25,165	24,390	22,113	775·8	*3·4*	130·9	107·5	102·6	792·1
1972		25,244	24,386	22,116	854·9	*3·7*	147·3	103·9†	102·1	875·6
1973		25,599	24,971	22,663	611·0	*2·6*	307·0	104·5	104·0	618·8
1974		25,652	25,060	22,790	599·7	*2·6*	301·6	104·7	101·1	614·9
1975		25,844	24,933	22,711	929·1	*3·9*	148·1	100·0	100·0	977·6
1976		26,129	24,762	22,540	1,269·3	*5·3*	119·7	96·8	100·3	1,358·8
1977		26,299	24,819	22,606	1,376·8	*5·7*	155·9	97·2	101·3	1,483·6
1978		26,414	24,944	22,740	1,375·6	*5·7*	210·3	96·8	101·0	1,475·0
1979		26,461	25,097	22,897	1,302·1	*5·4*	241·3	95·4	100·8	1,390·5
1980		26,355	24,696	22,487	1,647·6	*6·8*	143·0	89·8	98·1	1,794·7
1977	*1*	26,208	24,813	22,597	1,331·5	*5·5*	..	97·1	101·6	1,417·8
	2	26,299	24,819	22,606	1,352·5	*5·6*	153·0	97·3	101·2	1,394·7
	3	26,379	24,843	22,629	1,400·1	*5·8*	154·7	97·3	101·2	1,622·4
	4	26,357	24,848	22,638	1,423·1	*5·9*	164·3	97·1	101·2	1,499·4
1978	*1*	26,398	24,916	22,709	1,412·7	*5·8*	186·7	97·1	101·2	1,506·1
	2	26,414	24,944	22,740	1,390·9	*5·8*	204·2	96·9	101·0	1,428·2
	3	26,436	24,992	22,786	1,365·0	*5·7*	216·3	96·6	101·0	1,570·6
	4	26,487	25,092	22,889	1,333·9	*5·4*	234·0	96·3	101·0	1,395·3
1979	*1*	26,493	25,070	22,869	1,349·4	*5·6*	233·6	96·0	100·8	1,436·5
	2	26,461	25,097	22,897	1,305·2	*5·4*	252·2	95·8	101·2	1,327·9
	3	26,421	25,101	22,896	1,266·8	*5·2*	249·1	95·4	100·4	1,438·0
	4	26,399	25,031	22,826	1,287·1	*5·3*	230·3	94·5	100·9	1,359·4
1980	*1*	26,362	24,885	22,678	1,373·9	*5·7*	194·6	93·2	100·4	1,479·2
	2	26,355	24,696	22,487	1,497·7	*6·2*	159·2	91·5	99·1	1,563·9
	3	26,331	24,384	22,166	1,699·0	*7·0*	119·8	88·8	97·5	1,979·1
	4	26,248	23,989	21,769	2,019·8	*8·4*	98·3	85·6	95·4	2,156·7
1981	*1*	26,168	23,683	21,463	2,304·4	*9·5*	99·6	83·3	95·1	2,455·8
	2	26,072	23,393	21,173	2,506·4	*10·4*	89·5	81·3	96·7	2,588·0
	3							79·7		
	4									
1980	*A*	..	..	..	1,456·2	*6·0*	170·2	92·1	99·2	1,522·9
	M	..	..	..	1,495·3	*6·2*	162·2	91·5	99·2	1,509·2
	J	..	..	..	1,541·7	*6·4*	145·3	90·9	98·9	1,659·7
	J	..	..	..	1,609·2	*6·7*	127·9	89·7	98·0	1,896·6
	A	..	..	..	1,696·8	*7·0*	120·5	88·8	97·6	2,001·2
	S	..	..	..	1,791·1	*7·4*	111·1	87·8	97·0	2,039·5
	O	..	..	..	1,892·9	*7·8*	100·0	86·6	95·9	2,062·9
	N	..	..	..	2,030·0	*8·4*	96·2	85·5	95·3	2,162·9
	D	..	..	..	2,136·6	*8·8*	98·8	84·6	95·0	2,244·2
1981	*J*	..	..	..	2,228·3	*9·2*	103·6	84·0	95·1	2,419·5
	F	..	..	..	2,304·1	*9·5*	98·2	83·2	95·0	2,463·3
	M	..	..	..	2,380·8	*9·8*	96·9	82·5	95·2	2,484·7
	A	..	..	..	2,452·3	*10·1*	94·3	81·9	96·3	2,525·2
	M	..	..	..	2,514·6	*10·4*	91·7	81·3	96·6	2,558·4
	J	..	..	..	2,552·3	*10·6*	82·5	80·6	97·3	2,680·5
	J	..	..	..	2,582·3[7]	*10·7*[7]	91·7	80·0	97·6	2,852·1[7]
	A	..	..	..	2,626·4[7]	*10·9*[7]	98·4	79·8	98·5	2,940·5[7]
	S	..	..	..	2,672·7[7]	*11·1*[7]	96·9	79·3	98·7	2,998·8[7]
	O				2,728·9[7]	*11·3*[7]	98·6	78·9	98·9	2,988·6[7]
	N				2,764·3	*11·4*	103·8			2,953·3
	D									

[1] Unemployment figures do not include adult students registered for temporary employment during a current vacation.

[2] The working population consists of the employed labour force and the unemployed (including school-leavers); the employed labour force includes employers, self-employed and HM Forces as well as employees in employment.

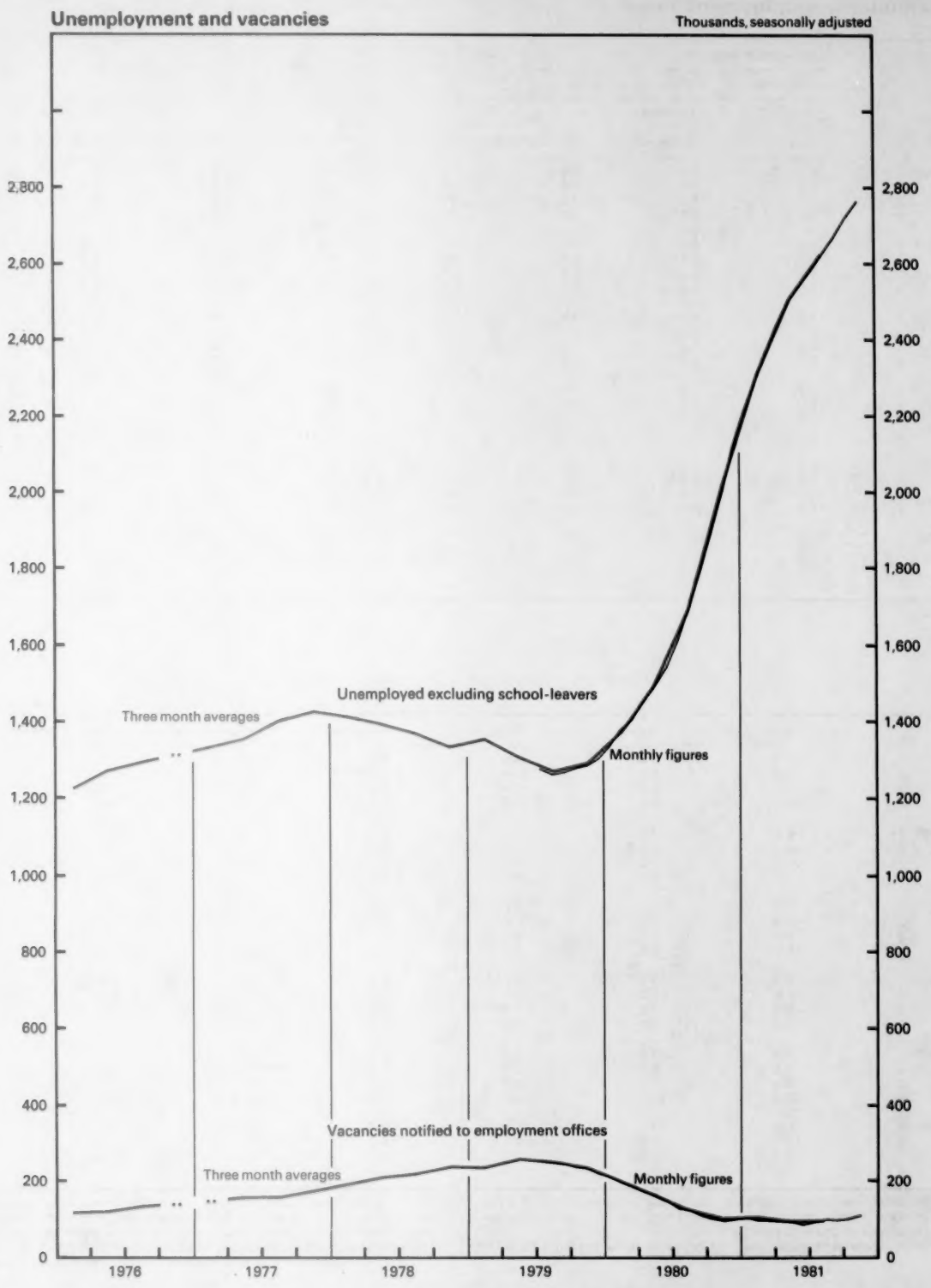
[3] Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December respectively.

[4] From October 1979, figures have been adjusted for the effects of fortnightly payment of benefit as described on page 1151 of *Employment Gazette*, November 1979.

[5] The base used in calculating the percentage rate of unemployment is the appropriate mid-year estimate of total employees (employed and unemployed).

[6] The seasonally adjusted series have been revised as described in the March 1981 *Employment Gazette*.

[7] The recorded unemployment figures for July to October are overstated by about 20,000 (net) as a result of industrial action affecting the flow of information between benefit offices and employment offices. The seasonally adjusted total for the UK has been reduced to allow for this. No adjustment has been made to other unemployment figures


Unemployment and vacancies
Thousands, seasonally adjusted
2,800
2,600
2,400
2,200
2,000
1,800
1,600
1,400
1,200
1,000
800
600
400
200
0
Unemployed excluding school-leavers
Three month averages
Monthly figures
Vacancies notified to employment offices
Three month averages
Monthly figures
1976
1977
1978
1979
1980
1981

Regional unemployment rates[1]

Seasonally adjusted

Per cent

		North[2]	Yorkshire and Humberside[2]	East Midlands[2]	East Anglia	South East[2]	South West[2]	West Midlands
1976	1	6·4	5·0	4·3	4·4	3·8	5·8	5·4
	2	6·8	5·1	4·4	4·5	3·9	6·0	5·4
	3	7·0	5·2	4·5	4·7	4·1	6·1	5·4
	4	7·1	5·1	4·5	4·7	4·2	6·3	5·2
1977	1	7·2	5·1	4·5	4·8	4·2	6·2	5·2
	2	7·4	5·1	4·6	4·9	4·2	6·3	5·3
	3	7·7	5·5	4·8	5·1	4·4	6·5	5·4
	4	8·0	5·6	4·8	5·1	4·4	6·6	5·4
1978	1	8·2	5·5	4·8	4·9	4·2	6·4	5·2
	2	8·1	5·6	4·7	4·8	4·1	6·2	5·2
	3	8·1	5·5	4·7	4·7	4·0	6·0	5·1
	4	8·1	5·4	4·6	4·6	3·8	5·8	5·0
1979	1	8·2	5·5	4·6	4·7	3·8	5·7	5·2
	2	8·0	5·3	4·4	4·3	3·8	5·4	5·1
	3	7·9	5·1	4·2	4·1	3·4	5·2	5·0
	4	8·0	5·3	4·4	4·1	3·4	5·2	5·2
1980	1	8·7	5·7	4·7	4·4	3·6	5·3	5·6
	2	9·3	6·3	5·3	4·7	3·9	5·7	6·2
	3	10·1	7·3	6·2	5·5	4·6	6·4	7·4
	4	11·5	8·8	7·5	6·7	5·6	7·5	9·3
1981	1	12·9	10·1	8·6	7·8	6·5	8·5	11·2
	2	13·6	10·9	9·3	8·3	7·2	9·1	12·3
	3[3]	14·2	11·4	9·8	8·7	7·8	9·5	13·1
	4							

		North West[2]	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
1976	1	6·3	6·6	6·0	5·0	8·8	5·1
	2	6·4	6·8	6·5	5·2	9·2	5·3
	3	6·5	6·8	6·7	5·3	9·5	5·4
	4	6·5	6·9	6·9	5·4	9·6	5·5
1977	1	6·5	7·0	7·1	5·4	9·7	5·5
	2	6·7	7·1	7·3	5·5	9·9	5·6
	3	6·9	7·5	7·6	5·7	10·2	5·8
	4	7·1	7·8	7·8	5·8	10·4	5·9
1978	1	7·0	7·6	7·8	5·7	10·4	5·8
	2	6·9	7·7	7·6	5·6	10·7	5·7
	3	6·9	7·7	7·5	5·5	10·7	5·6
	4	6·7	7·5	7·4	5·4	10·4	5·5
1979	1	6·8	7·7	7·5	5·4	10·5	5·6
	2	6·6	7·3	7·4	5·3	10·3	5·4
	3	6·4	7·1	7·4	5·1	10·3	5·2
	4	6·6	7·2	7·5	5·2	10·5	5·3
1980	1	7·2	7·8	8·0	5·6	10·9	5·7
	2	7·8	8·6	8·6	6·1	11·5	6·2
	3	8·8	9·7	9·4	6·9	12·7	7·0
	4	10·3	11·4	10·6	8·2	14·8	8·4
1981	1	11·5	12·6	11·4	9·4	16·1	9·5
	2	12·7	13·2	12·3	10·2	16·7	10·4
	3	13·2	13·9	13·0	10·7	17·1	10·9
	4						

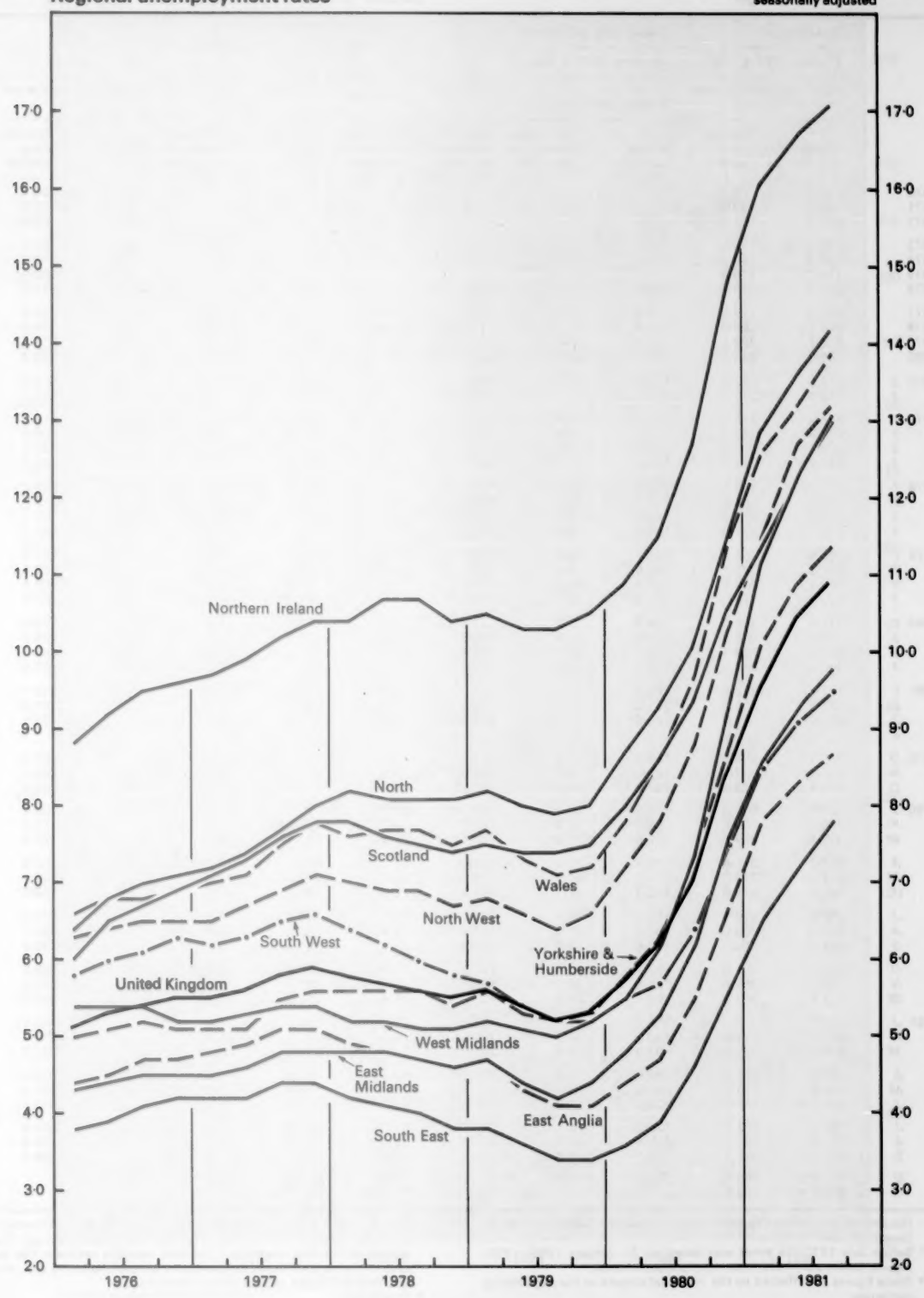
[1] Numbers unemployed excluding school-leavers expressed as a percentage of the appropriate mid-year estimate of total employees (employed and unemployed).

[2] The boundaries of the standard regions were revised in April 1974.

[3] The recorded unemployment figures for July to October are overstated by about 20,000 (net) as a result of industrial action affecting the flow of information between benefit offices and employment offices. The seasonally adjusted totals for GB and UK have been reduced to allow for this. No adjustment has been made to other unemployment figures.

Regional unemployment rates

Percentage rates, seasonally adjusted



Wage rates and earnings

		Unadjusted		Seasonally adjusted[1]							
		31 July 1972 = 100[2]		January 1976 = 100						1975 = 100	
		Basic weekly wage rates (manual workers)		Average earnings (GB)						Wages and salaries per unit of output	
		All industries and services	Manufacturing industry	Whole economy	*Percentage increase on year earlier*	Index of production industries	*Percentage increase on year earlier*	Manufacturing industry	*Percentage increase on year earlier*	Whole economy	Manufacturing industry
1970		78·8	79·4	..	..	..	..	..	..	50·0	51·6
1971		89·0	89·3	..	..	..	..	..	..	54·5	56·8
1972		101·3	101·5	..	..	..	..	..	..	59·1	59·2
1973		115·2	114·6	..	..	..	..	..	..	63·0	62·1
1974		138·0	134·3	..	..	..	..	..	..	76·6	76·6
1975		178·7	174·4	..	..	..	..	..	..	100·0	100·0
1976		213·2	209·0	106·1	..	106·3	..	106·2	..	109·2	111·2
1977		227·3	218·9	115·6	*9·0*	117·2	*10·3*	117·1	*10·2*	118·0	120·8
1978		259·3	258·8	130·6	*13·0*	134·3	*14·6*	134·0	*14·5*	130·3	134·9
1979		298·1	297·5	150·8	*15·5*	154·9	*15·3*	154·8	*15·5*	149·8	154·3
1980		351·8	348·5	182·1	*20·7*	183·9	*18·8*	182·5	*17·9*	181·8	189·4
1976	*3*	217·8	212·5	107·8	..	108·3	..	108·4	..	110·5	113·2
	4	219·3	213·1	110·2	..	110·7	..	110·7	..	111·7	114·2
1977	*1*	223·3	215·7	112·4	*10·7*	113·8	*12·0*	113·4	*11·9*	115·2	115·5
	2	225·9	217·9	113·9	*8·8*	115·0	*10·2*	114·8	*9·9*	115·9	118·8
	3	228·7	220·2	116·3	*7·8*	117·7	*8·6*	117·7	*8·6*	119·0	122·2
	4	231·2	221·7	120·0	*8·9*	122·3	*10·5*	122·5	*10·6*	121·8	126·8
1978	*1*	237·8	226·1	123·8	*10·2*	126·6	*11·2*	126·8	*11·8*	126·1	129·0
	2	260·6	263·9	129·2	*13·5*	132·9	*15·6*	132·4	*15·3*	128·5	132·5
	3	265·8	267·9	133·0	*14·4*	136·7	*16·2*	136·2	*15·7*	131·6	135·7
	4	273·0	277·5	136·5	*13·8*	141·0	*15·3*	140·7	*14·9*	134·7	142·4
1979	*1*	284·9	284·5	141·0	*13·9*	145·1	*14·6*	145·4	*14·7*	142·3	147·6
	2	292·2	291·3	146·6	*13·4*	152·1	*14·5*	152·7	*15·4*	143·8	148·9
	3	299·9	296·4	153·9	*15·7*	155·9	*14·0*	155·0	*13·8*	154·0	156·8
	4	315·3	318·0	161·8	*18·5*	166·4	*18·0*	166·2	*18·1*	159·1	163·9
1980	*1*	334·9	336·5	168·8	*19·7*	172·4	*18·8*	170·6	*17·3*	167·9	174·3
	2	348·3	345·3	178·0	*21·4*	180·8	*18·8*	179·9	*17·8*	178·8	186·2
	3	357·4	349·9	188·1	*22·2*	189·4	*21·5*	188·3	*21·4*	189·8	196·1
	4	366·6	362·3	193·3	*19·5*	193·2	*16·1*	191·3	*15·1*	191·1	201·0
1981	*1*	377·0†	372·5†	196·7	*16·5*	200·0	*16·0*	196·9	*15·4*	196·4	202·1†
	2	385·5	379·3	201·2	*13·0*	203·0	*12·3*	200·5	*11·5*	200·9	201·8
	3	391·0	382·9	209·6[5]	*11·4*[5]	213·0[5]	*12·4*[5]	212·0[5]	*12·6*[5]		205·6
	4										
1979	*O*	303·1	298·4	158·8	*16·8*	163·6	*16·4*	163·5	*16·4*	..	162·0
	N	319·4	327·3	162·0	*19·1*	166·3	*18·5*	166·0	*18·8*	..	164·4
	D	323·4	328·5	164·5[4]	*19·6*[4]	169·2[4]	*19·0*[4]	169·1[4]	*19·1*[4]	..	165·4
1980	*J*	332·9	335·5	164·6[4]	*20·2*[4]	169·0[4]	*19·7*[4]	167·6[4]	*19·0*[4]	..	169·7
	F	335·0	336·6	169·0[4]	*18·6*[4]	171·8[4]	*18·4*[4]	170·0[4]	*16·8*[4]	..	174·3
	M	336·9	337·4	172·8[4]	*20·3*[4]	176·4[4]	*18·3*[4]	174·1[4]	*16·2*[4]	..	178·9
	A	342·2	340·6	175·1	*21·3*	178·0	*19·3*	176·4	*18·2*	..	182·8
	M	347·3	346·7	176·7	*21·3*	179·4	*18·7*	178·7	*17·6*	..	186·1
	J	355·5	348·6	182·1	*21·7*	184·8	*18·4*	184·5	*17·7*	..	189·7
	J	356·8	349·1	183·1	*18·9*	187·8	*19·8*	186·9	*18·9*	..	193·5
	A	357·3	350·0	187·3	*21·7*	189·6	*21·6*	188·5	*22·3*	..	196·2
	S	358·1	350·7	194·0	*26·1*	190·8	*23·1*	189·4	*23·1*	..	198·5
	O	359·5	351·0	190·7	*20·1*	191·3	*16·9*	189·9	*16·2*	..	199·8
	N	368·9	367·8	192·6	*18·9*	193·0	*16·1*	191·4	*15·3*	..	200·9
	D	371·4	367·9	196·6	*19·5*	195·3	*15·4*	192·6	*13·9*	..	202·3
1981	*J*	376·1	372·2	195·3	*18·6*	197·8	*17·0*	194·5	*16·0*	..	202·1†
	F	377·0	372·6	196·9	*16·5*	200·5	*16·7*	197·6	*16·2*	..	202·6
	M	378·0	372·8	197·9	*14·5*	201·7	*14·3*	198·7	*14·1*	..	201·7
	A	383·8	376·7	199·5	*13·9*	200·2	*12·5*	197·5	*12·0*	..	201·5
	M	385·4	379·1	200·0	*13·2*	201·3	*12·2*	198·9	*11·3*	..	201·3
	J	387·2	382·0	203·9	*12·0*	207·5	*12·3*	205·2	*11·2*	..	202·7
	J	390·6	382·3	205·3	*12·1*	209·7†	*11·6*	208·4†	*11·5*†	..	204·8
	A	391·1	383·1	211·4	*12·8*	214·6	*13·2*	213·8	*13·5*	..	205·8
	S	391·3	383·4	212·1	*9·3*	214·6	*12·4*	213·7	*12·8*	..	206·3
	O	391·6	383·4	213·4[5]	*11·9*[5]	217·4[5]	*13·6*[5]	217·2[5]	*14·4*[5]		
	N	391·7	383·4								

[1] The seasonal adjustment factors currently used are based on data up to December 1980.

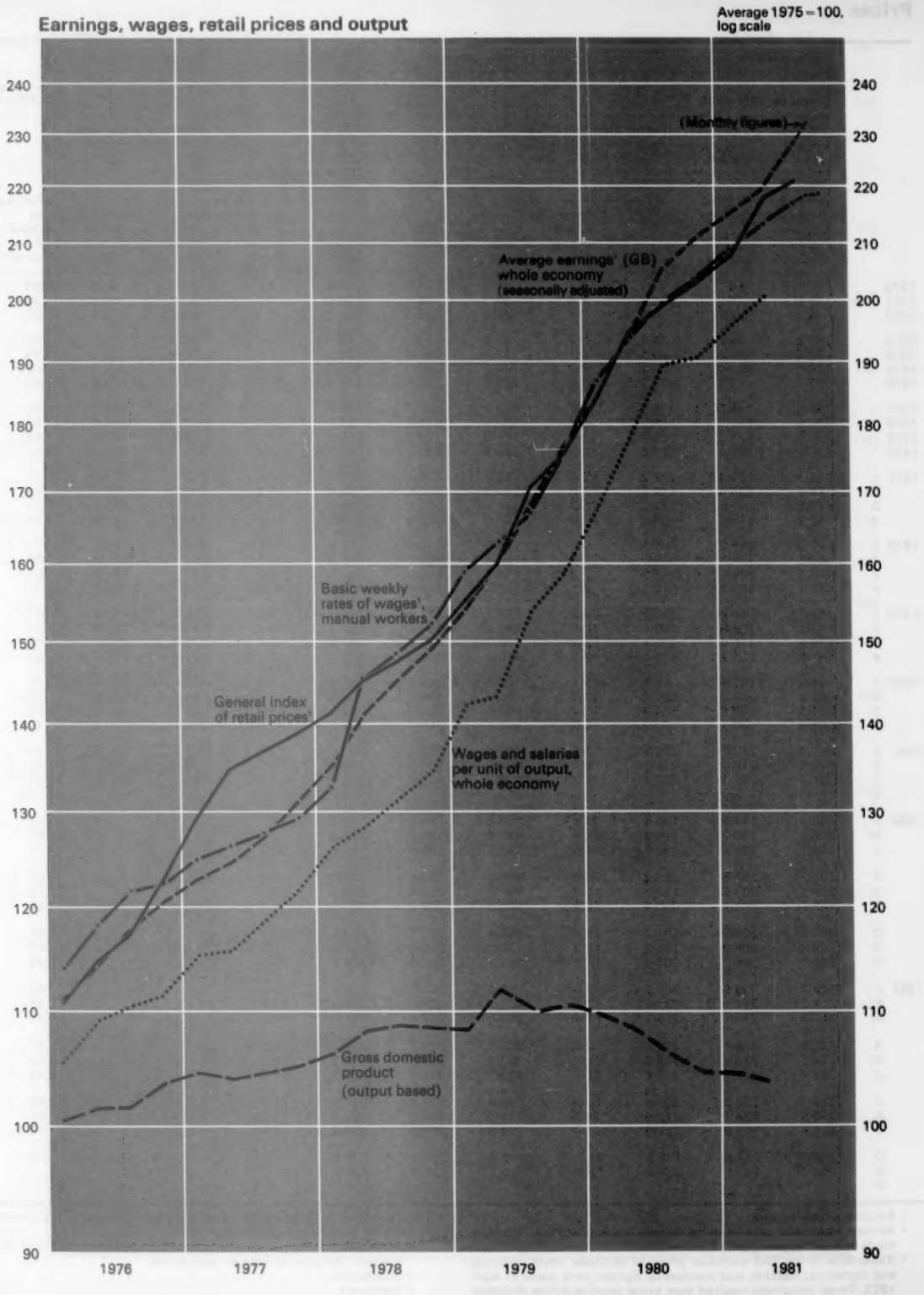
[2] Before July 1972 the series was based on 31 January 1956 = 100. Figures before July 1972 have therefore been linked.

[3] These figures are affected by the industrial dispute in the engineering industries.

[4] Owing to the dispute in the steel industry insufficient information is available to enable a reliable index for 'metal manufacture' to be calculated for this month but the best possible estimate has been used in the compilation of the indices for all manufacturing and, whole economy and Index of production industries.

[5] Provisional.

Earnings, wages, retail prices and output

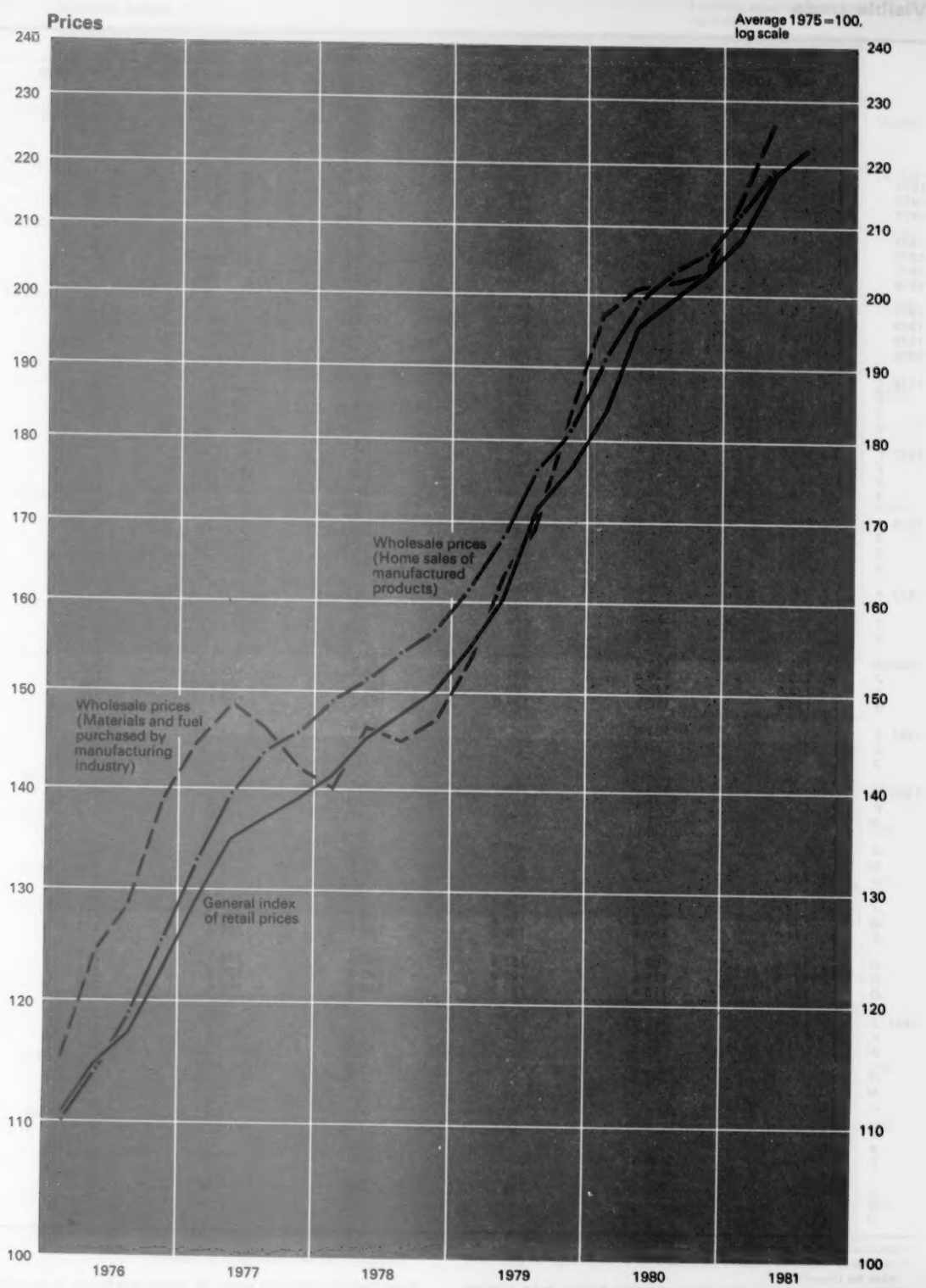


[1] Quarterly average of monthly figures

Prices

	Unadjusted										
	Average 1975 = 100										Average 1975 = 100p
	Wholesale prices index		General index of retail prices						Pensioner price index[1]		
	Materials and fuel purchased by manufacturing industry[2]	Output All manufactured products Home sales[3]	All items Index	All items *Percentage increase on year earlier*	Total food	Total non-food	All items other than seasonal food Index	All items other than seasonal food *Percentage increase on year earlier*	One person household	Two person household	Purchasing power of the pound[4]
1970	40·7	54·1	54·2	*6·4*	48·5	56·3	54·8	*6·5*	52·7	52·8	184
1971	42·5	59·0	59·3	*9·4*	53·9	61·4	60·0	*9·5*	58·0	58·0	169
1972	44·4	62·1	63·6	*7·1*	58·6	65·3	64·1	*6·9*	62·4	62·3	157
1973	58·8	66·7	69·4	*9·2*	67·5	70·1	69·4	*8·3*	68·4	68·7	144
1974	86·8	81·8	80·5	*16·1*	79·6	80·8	80·5	*16·0*	79·5	79·8	124
1975	100·0	100·0	100·0	*24·2*	100·0	100·0	100·0	*24·2*	100·0	100·0	100
1976	127·0	117·3	116·5	*16·5*	120·0	115·6	115·8	*15·8*	119·1	118·8	86
1977	145·6	140·5	135·0	*15·8*	142·8	132·8	134·3	*16·0*	139·1	138·7	74
1978	144·6	153·3	146·2	*8·3*	152·9	144·3	146·5	*9·0*	150·4	149·8	68
1979	167·6	172·0	165·8	*13·4*	171·3	164·3	165·9	*13·3*	168·0	167·6	60
1980	200·9	200·0	195·6	*18·0*	191·9	196·5	196·3	*18·4*	195·7	194·6	51
1977 *1*	144·8	133·0	129·2	*16·5*	138·6	126·4	127·7	*16·1*	132·6	132·9	77
2	148·8	139·6	134·9	*17·4*	143·3	132·5	133·6	*17·3*	138·4	138·4	74
3	146·5	143·8	137·0	*16·5*	144·1	135·0	136·8	*16·7*	141·6	140·7	73
4	142·2	145·8	139·0	*13·0*	145·0	137·3	139·3	*14·2*	143·9	142·9	72
1978 *1*	140·2	149·2	141·4	*9·5*	148·0	139·5	141·6	*10·8*	146·3	145·5	71
2	146·3	151·8	145·3	*7·6*	152·9	143·1	145·2	*8·6*	150·0	149·3	69
3	144·9	154·8	147·8	*7·9*	154·7	145·9	148·2	*8·3*	151·9	151·3	68
4	147·1	157·3	150·3	*8·1*	156·0	148·6	150·8	*8·3*	153·4	153·0	67
1979 *1*	153·4	161·6	155·0	*9·6*	164·2	152·4	154·7	*9·3*	159·2	158·5	65
2	163·3	168·0	160·7	*10·6*	169·9	158·3	160·2	*10·4*	163·4	162·9	62
3	169·9	176·4	171·4	*16·0*	173·9	170·6	171·9	*16·0*	171·8	171·7	58
4	183·9	181·8	176·2	*17·3*	178·0	175·7	176·7	*17·2*	177·6	177·2	57
1980 *1*	197·2	191·4	184·6	*19·1*	185·7	184·1	184·8	*19·5*	185·7	184·9	54
2	201·3	199·0	195·3	*21·5*	192·0	196·1	195·8	*22·3*	194·1	193·5	51
3	201·9	203·6	199·4	*16·4*	194·5	200·7	200·4	*16·5*	199·2	197·9	50
4	203·3	206·1	203·2	*15·3*	195·5	205·1	204·3	*15·6*	203·7	201·9	49
1981 *1*	213·8	212·3	208·0	*12·7*	201·6	209·5	209·0	*13·0*	209·8	208·2	48
2	225·8	219·4	218·1	*11·7*	207·8	220·8	218·9	*11·8*	216·4	215·7	46
3	235·9	224·1	221·9	*11·2*	209·2	225·2	223·0	*11·3*	220·1	219·6	45
4											
1980 *A*	202·3	197·0	193·5	*21·8*	190·6	194·2	193·9	*22·4*	..	..	52
M	200·4	199·0	195·3	*21·9*	191·8	196·1	195·9	*22·6*	..	..	51
J	201·1	201·0	197·1	*21·0*	193·5	198·0	197·7	*21·7*	..	..	51
J	201·7	202·7	198·7	*16·9*	195·0	199·6	199·3	*17·0*	..	..	50
A	201·8	203·5	199·2	*16·3*	194·3	200·4	200·2	*16·5*	..	..	50
S	202·1	204·6	200·4	*15·9*	194·3	202·0	201·6	*16·1*	..	..	50
O	201·4	205·3	201·7	*15·4*	194·5	203·5	202·9	*15·7*	..	..	50
N	203·4	206·2	203·3	*15·3*	195·0	205·5	204·5	*15·7*	..	..	49
D	205·1	206·7	204·5	*15·1*	197·1	206·4	205·5	*15·4*	..	..	49
1981 *J*	209·7	209·9	205·7	*13·0*	200·1	207·2	206·7	*13·4*	..	..	49
F	214·0	211·9	207·6	*12·5*	201·7	209·0	208·6	*12·8*	..	..	48
M	217·8	215·1	210·7[6]	*12·6*	203·0[6]	212·4[6]	211·6[6]	*12·9*	..	..	47
A	221·3	218·0	216·8	*12·0*	205·7	219·7	217·7	*12·3*	..	..	46
M	226·1	219·2	218·2	*11·7*	207·6	220·9	218·9	*11·7*	..	..	46
J	229·9	221·1	219·4	*11·3*	210·1	221·9	220·1	*11·3*	..	..	46
J	233·0	222·2	220·4	*10·9*	209·8	223·2	221·2	*11·0*	..	..	45
A	236·8	224·1†	222·0	*11·5*	208·0	225·6	223·4	*11·5*	..	..	45
S	237·9	225·9	223·3	*11·4*	209·8	226·8	224·5	*11·4*	..	..	45
O	238·2[5]	227·8[5]	225·3	*11·7*	212·1	228·8	226·3	*11·5*	..	..	44
N	236·8[5]	229·1[5]	227·7	*12·0*	214·2	231·3	228·6	*11·8*	..	..	
D									..	..	

[1] All items except housing.
[2] Revised method of calculation to include levies on certain imported foods from 3rd quarter 1971.
[3] Reductions in the VAT-exclusive prices of alcoholic liquor, tobacco and cigarettes, matches and mechanical lighters took place in April 1973. These reductions resulted from lower revenue duties designed to offset additional tax revenue from VAT. With unchanged prices in April for these products index numbers from 2nd quarter 1973 onwards would have been higher by 1·7.
[4] Movements in the purchasing power of the pound are based on movements in the general index of retail prices.
[5] Provisional.
[6] Estimated.


Prices
Average 1975 = 100, log scale
240
230
220
210
200
190
180
170
160
150
140
130
120
110
100
Wholesale prices (Home sales of manufactured products)
Wholesale prices (Materials and fuel purchased by manufacturing industry)
General index of retail prices
1976
1977
1978
1979
1980
1981

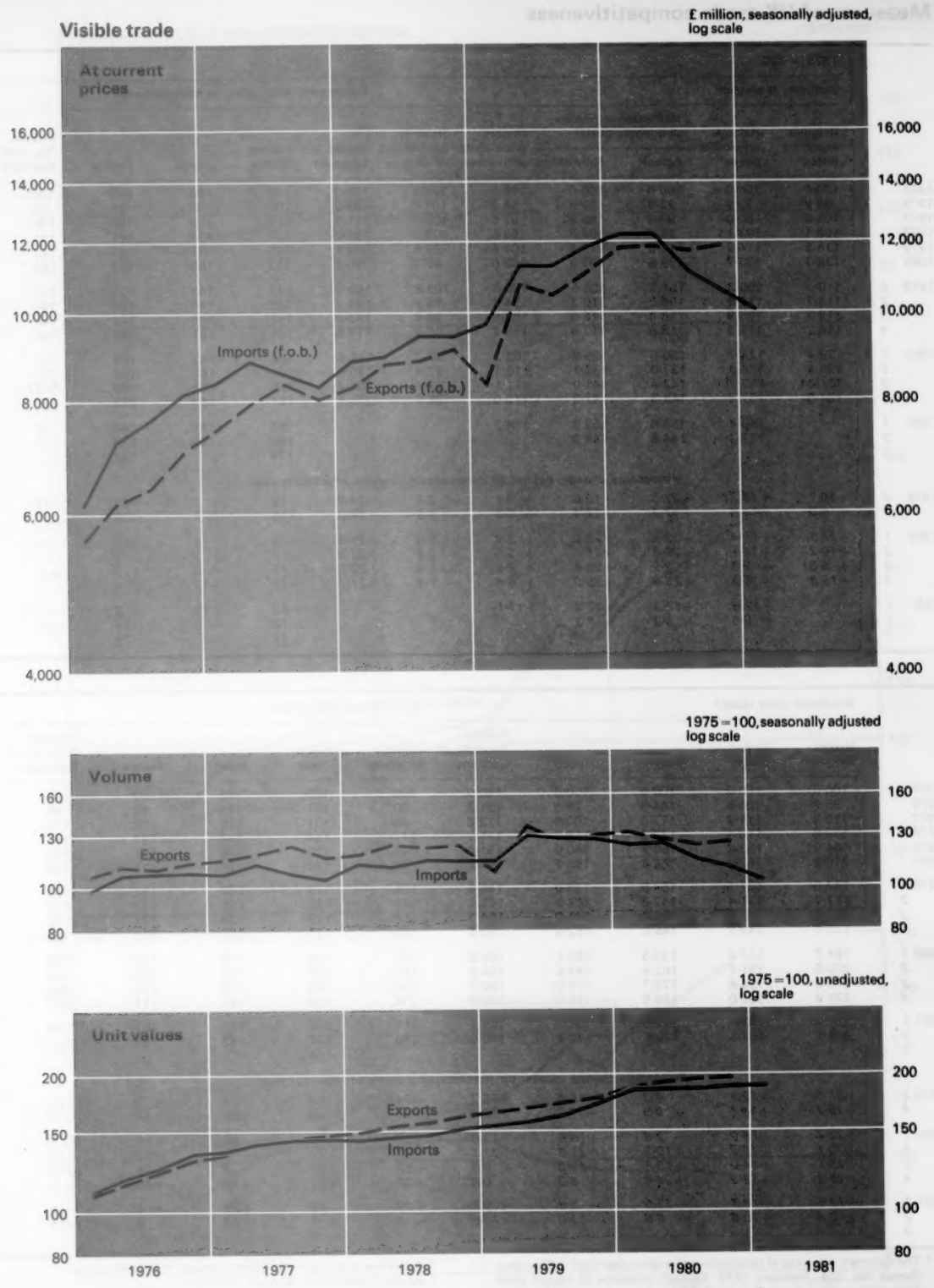
Visible trade

	Seasonally adjusted		Unadjusted			
	1975 =100		1975 =100			1975 =100
	Volume indices[1]		Unit value indices[1]			World commodity prices index[3]
	Exports	Imports	Exports	Imports	Terms of trade[2]	
1970	81·1	81·8	50·8	42·8	118·8	31
1971	85·9	85·5	53·7	44·8	119·8	33
1972	85·6	95·2	56·8	46·9	121·1	36
1973	97·2	108·4	64·0	60·0	106·8	54
1974	104·2	109·5	81·6	87·7	93·1	99
1975	100·0	100·0	100·0	100·0	100·0	100
1976	109·9	105·8	119·6	122·2	97·9	130
1977	118·4	107·7	141·5	141·3	100·2	149
1978	121·5	112·8	155·5	146·8	105·9	138
1979	125·6	125·6	171·8	161·6	106·3	182
1980	127·9	119·1	192·9	185·9	103·8	214
1976 *1*	106·1	98·5	109·6	110·4	99·3	115
2	110·8	107·9	115·8	119·0	97·3	130
3	109·5	108·3	122·8	125·1	98·2	135
4	113·0	108·6	130·3	134·3	97·0	145
1977 *1*	115·5	107·4	134·9	137·1	98·4	152
2	118·5	112·0	140·6	140·8	99·9	155
3	123·2	107·6	144·3	143·4	100·6	149
4	116·4	103·9	146·4	143·9	101·8	142
1978 *1*	118·5	111·4	149·6	141·9	105·4	136
2	122·6	110·2	153·7	146·5	104·9	143
3	121·4	115·1	157·6	148·1	106·4	138
4	123·4	114·4	161·1	150·8	106·8	138
1979 *1*	108·1	114·5	166·0	153·9	107·8	141
2	136·3	130·2	169·2	158·5	106·8	156
3	128·0	129·0	173·2	161·7	107·1	162
4	130·1	128·9	178·8	172·4	103·7	185
1980 *1*	131·4	124·5	187·3	185·3	101·1	211
2	128·5	125·8	191·7	185·5	103·4	216
3	124·8	115·6	195·7	185·5	105·5	214
4	126·8	110·3	197·0	187·2	105·2	215
1981 *1*	..	103·8	..	189·9	..	228
2	..	..	..	..	..	249†
3	..	..	..	..	..	271[4]
1980 *J*	135·7	123·0	185·2	182·7	101·4	206
F	132·2	126·4	187·5	185·6	101·0	210
M	126·5	124·1	189·2	187·7	100·8	218
A	127·8	130·5	190·8	185·8	102·7	218
M	130·1	123·0	191·1	186·5	103·0	214
J	127·4	123·9	193·3	185·1	104·4	213
J	129·6	118·4	195·0	185·5	105·1	213
A	120·9	117·9	196·2	185·1	106·0	214
S	124·0	110·6	195·9	186·1	105·3	212
O	125·5	107·0	197·4	187·8	105·1	211
N	127·8	111·4	195·9	185·6	105·6	216
D	127·0	112·4	197·7	188·3	105·0	218
1981 *J*	123·7	101·0	199·0	187·0	106·4	220
F	119·5	109·2	198·8	189·1	105·2	227
M	..	101·3	..	193·5	..	234
A	..	101·4	..	197·4	..	240
M	..	..	..	..	..	248†
J	..	..	..	..	..	260
J	..	..	..	..	..	272
A	..	..	..	..	..	279[4]
S	128·8	129·9	211·0	211·0	100·0	263[5]
O	124·7	120·2	214·3	216·6	98·9	262[5]
N						257[5]
D						

[1] On a balance of payments basis.
[2] Unit value index for exports expressed as a percentage of unit value index for imports.
[3] Weighted average, in sterling terms, of United Nations Index numbers for primary commodities and non-ferrous metals.
[4] Provisional.
[5] Projection by the Department of Industry.

Note: Owing to industrial action UK visible trade figures for some months in 1981 are not currently available.

Visible trade



Measures of UK trade competitiveness

1975 = 100

		Summary measures[1]						Export unit value index for manufactures[3]				
		Relative export prices[2]	Relative wholesale prices[2]	IMF index of relative unit labour costs[2] Actual	IMF index of relative unit labour costs[2] Normalised	Import price competitiveness	Relative profitability of exports	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100·0	100·0	100	100	100	100
1976		96·9	93·9	92·9	93·9	96·3	101·2	97·2	107	99	98	102
1977		101·8	100·0	90·0	89·9	97·6	102·7	111·7	112	108	105	110
1978		108·1	103·1†	95·7	96·0	99·6	102·9	136·2	121	131	121	131
1979		115·3	114·2	111·6	111·4	104·6	99·8	164·1	140	141	141	147
1980		128·3	130·7	139·8	137·0	109·0	97·3	200·8	153	150	157	156
1979	1	110·7	105·3	101·0	100·6	100·8	102·8	152·0	134	142	134	143
	2	114·7	112·9	108·2	110·2	104·4	99·9	158·2	139	140	136	140
	3	119·6	120·9	118·8	116·9	108·0	98·8	173·3	141	145	144	148
	4	116·2	117·6	118·5	117·8	105·2	97·9	172·9	145	141	149	155
1980	1	123·4	124·7	130·5	125·8	103·2	97·7	188·5	146	142	154	157
	2	126·4	128·8	137·0	134·1	110·1	97·4	195·6	149	150	156	155
	3	131·0†	132·2	142·4	141·0	111·1	97·4	208·4	155	152	163	160†
	4	134·6	137·2	149·3	147·2	112·0	96·7	210·5	161	159	155	152
1981	1		140·6	153·0	153·8	114·7			165	165	144	136
	2		137·2	144·2	146·9				169	159	134	127
	3								174		132	
		Percentage change, quarter on corresponding quarter of previous year.										
1979	3	*+10·7*	*+18·3†*	*+22·5*	*+18·8*	*+ 9·1*	*− 4·5*	*+24·8*	*+18*	*+ 2*	*+14*	*+13*
	4	*+ 6·0*	*+14·8*	*+17·3*	*+17·4*	*+ 6·6*	*− 5·6*	*+18·0*	*+15*	*− 1*	*+16*	*+11*
1980	1	*+11·5*	*+18·4*	*+29·2*	*+25·0*	*+ 2·4*	*− 5·0*	*+24·0*	*+ 9*	*—*	*+15*	*+10*
	2	*+10·2*	*+14·1*	*+26·6*	*+21·7*	*+ 5·5*	*− 2·5*	*+23·6*	*+ 7*	*+ 7*	*+15*	*+11*
	3	*+ 9·5†*	*+ 9·3*	*+19·9*	*+20·6*	*+ 2·9*	*− 1·4*	*+20·3*	*+10*	*+ 5*	*+13*	*+ 8*
	4	*+15·8*	*+16·7*	*+26·0*	*+25·0*	*+ 6·5*	*− 1·2*	*+21·7*	*+11*	*+13*	*+ 4*	*− 2*
1981	1		*+12·8*	*+17·2*	*+22·3*	*+11·1*			*+13*	*+16*	*− 6*	*−13*
	2		*+ 6·5*	*+ 5·3*	*+ 9·5*				*+13*	*+ 6*	*−14*	*−18*
	3								*+12*		*−19*	

		Wholesale price index[3]					Unit labour costs index[3]				
		United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom	United States	Japan	France	Federal Republic of Germany
1975		100·0	100·0	100·0	100·0	100·0	100	100	100	100	100
1976		95·3	104·6	104·9	96·5	101·2	90	101	100	94	98
1977		110·8	111·2	117·8	100·6	112·8	95	107	115	100	110
1978		132·8	119·4	148·5	119·8	131·9	117	114	144	117	130
1979		164·9†	133·8	150·2	140·6	151·4	148	122	135	132	146
1980		210·2	152·8	166·6	165·2	164·1	199	136	131	151	158
1979	1	147·0	127·1	154·8	133·9	145·6	134	119	147	131	145
	2	157·7	131·4	147·8	134·3	145·4	139	122	135	127	139
	3	177·7	135·8	153·0	144·3	154·1	158	123	134	131	146
	4	177·1	140·7	145·0	152·4	160·4	159	125	122	140	153
1980	1	194·7	147·4	149·3	160·1	164·2	177	129	118	145[4]	154
	2	205·2	151·1	162·9	163·6	164·4	191	135	126	148[4]	156
	3	218·8	154·8	173·7	172·0	168·7	210	139	138	158[4]	165
	4	221·9	158·0	180·5	165·0	159·0	216	139	144	154[4]	157
1981	1	221·2	163·1	182·9	154·4	149·1	211	142	147	153[4]	140
	2	206·1	167·1	172·1	142·4	140·0	190	145	142	135[4]	131
	3							148			
		Percentage change, quarter on corresponding quarter of previous year.									
1979	3	*+31·6*	*+12·7*	*− 4·3*	*+15·5*	*+16·7*	*+34†*	*+8*	*−14*	*+ 7*	*+12*
	4	*+25·7*	*+14·1*	*− 9·9*	*+17·2*	*+13·2*	*+25*	*+8*	*−22*	*+12*	*+ 9*
1980	1	*+32·4*	*+16·0*	*− 3·6*	*+19·6*	*+12·8*	*+32*	*+8*	*−20*	*+11*	*+ 6*
	2	*+30·1*	*+15·0*	*+10·2*	*+21·8*	*+13·1*	*+37*	*+11*	*− 7*	*+17*	*+12*
	3	*+23·1*	*+14·0*	*+13·5*	*+19·2*	*+ 9·5*	*+33*	*+14*	*+ 3*	*+21*	*+13*
	4	*+25·3*	*+12·3*	*+24·5*	*+ 8·3*	*− 0·9*	*+36*	*+11*	*+18*	*+10*	*+ 3*
1981	1	*+13·6*	*+10·7*	*+22·5*	*− 3·6*	*− 9·2*	*+19*	*+10*	*+25*	*+ 6*	*− 9*
	2	*+ 0·4*	*+10·6*	*+ 5·6*	*−13·0*	*−14·8*	*− 1*	*+ 7*	*+13*	*− 9*	*−16*
	3							*+ 6*			

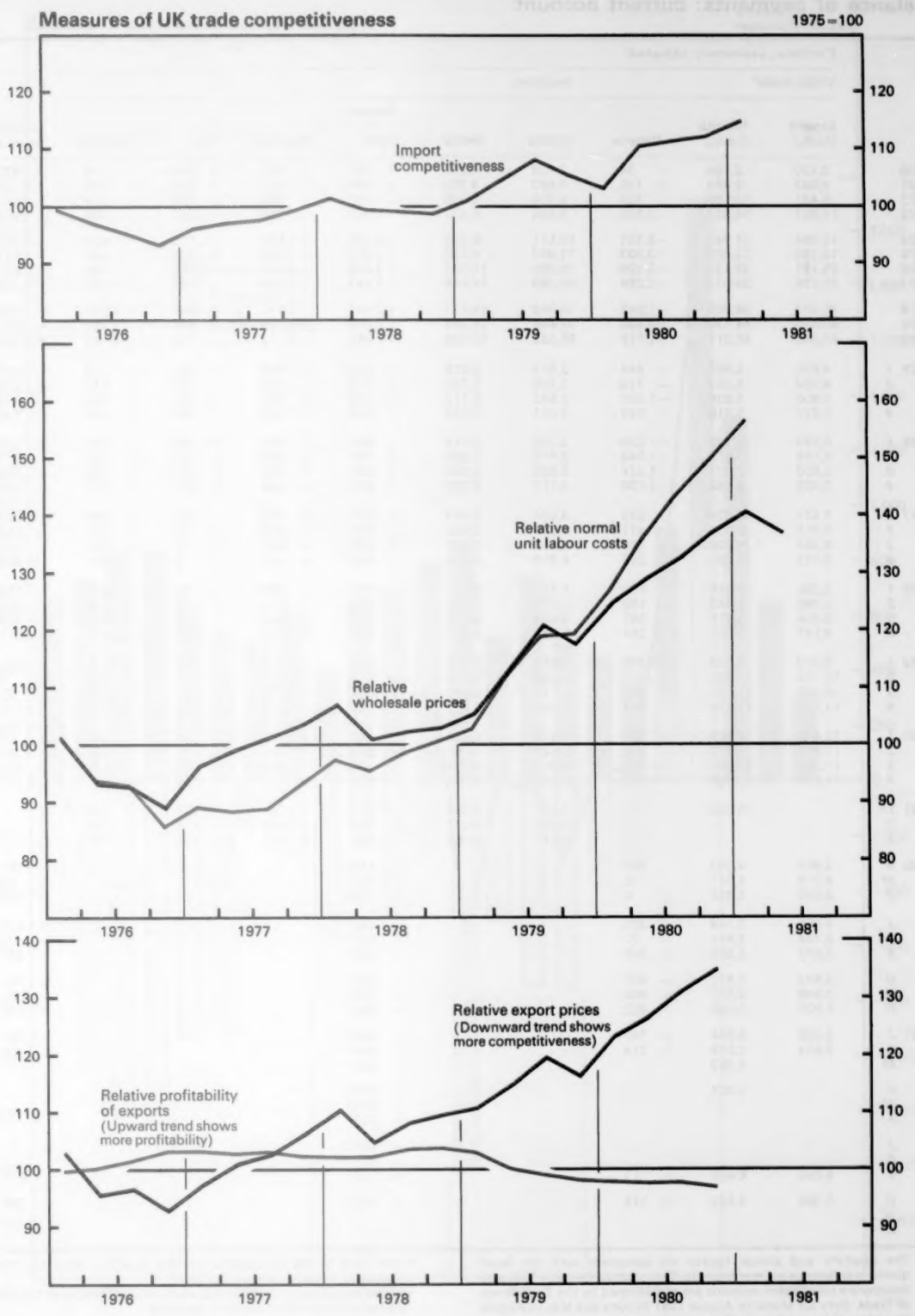
[1] The summary measures of competitiveness were described in *Economic Trends* No. 304, February 1979. Revised measures of import price competitiveness and relative profitability of exports were described in an article in *Economic Trends*, No. 319, May 1980.

[2] Downwards movements indicate greater competitiveness.

[3] All the indices are in terms of US dollars.

[4] Provisional.

Measures of UK trade competitiveness



Balance of payments: current account

£ million, seasonally adjusted

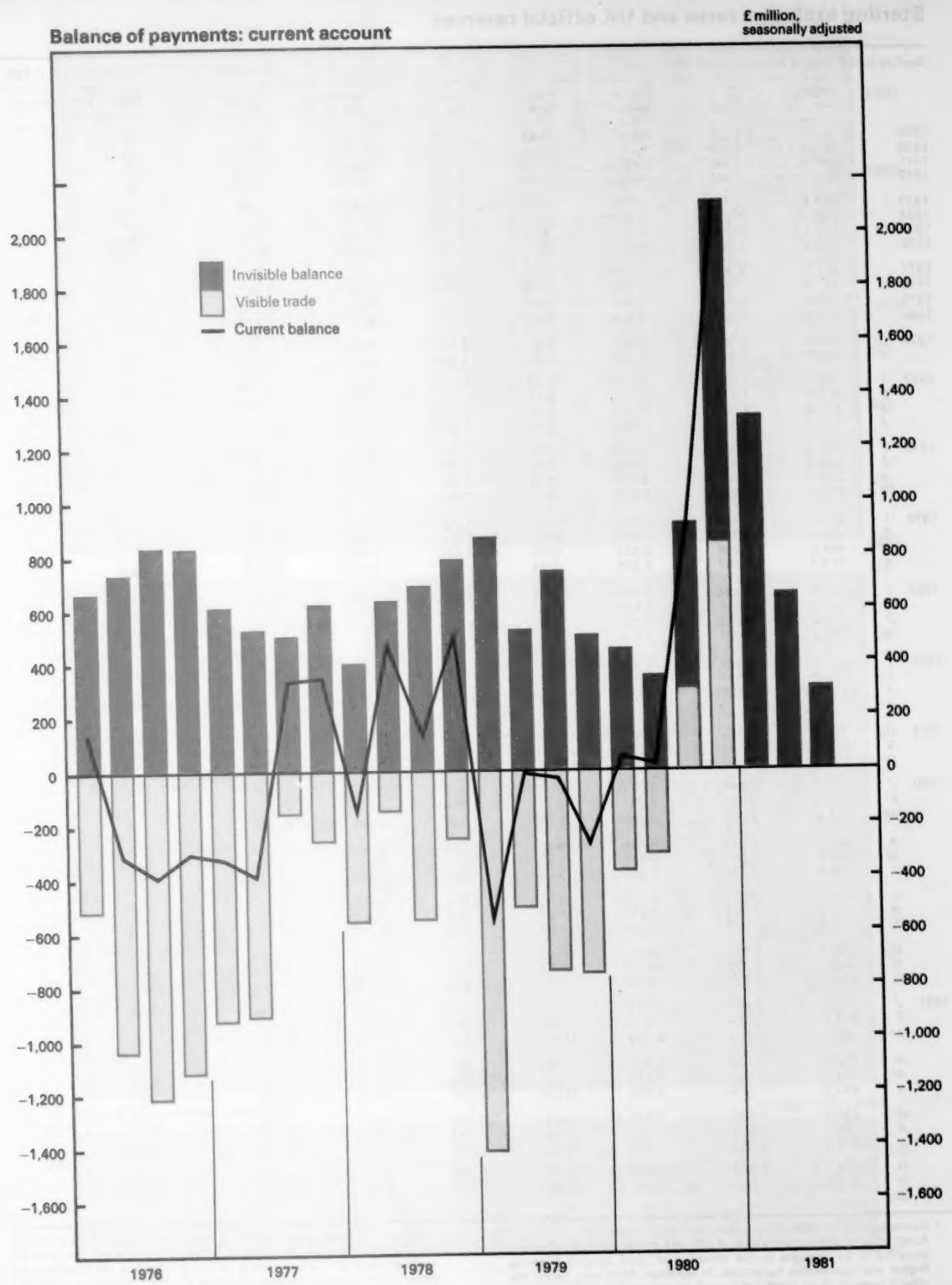
	Visible trade[1]			Invisibles						
						Balance				
	Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Total	Services	IPD	Transfers	Current balance
1970	8,150	8,184	− 34	5,126	4,269	+ 857	+ 481	+ 554	− 178	+ 823
1971	9,043	8,853	+ 190	5,697	4,763	+ 934	+ 625	+ 502	− 193	+1,124
1972	9,437	10,185	− 748	6,300	5,305	+ 995	+ 701	+ 538	− 244	+ 247
1973	11,937	14,523	−2,586	8,506	6,901	+1,605	+ 786	+1,257	− 438	− 981
1974	16,394	21,745	−5,351	10,511	8,433	+2,078	+1,083	+1,415	− 420	−3,273
1975	19,330	22,663	−3,333	11,467	9,655	+1,812	+1,519	+ 773	− 480	−1,521
1976	25,191	29,120	−3,929	15,000	11,952	+3,048	+2,443	+1,365	− 760	− 881
1977	31,728	34,012	−2,284	16,788	14,545	+2,243	+3,254	+ 104	−1,115	− 41
1978	35,063	36,605	−1,542	18,958	16,477	+2,481	+3,711	+ 592	−1,822	+ 939
1979	40,678	44,136	−3,458	23,694	21,099	+2,595	+4,039	+ 846	−2,290	− 863
1980	47,389	46,211	+1,178	25,532	23,588	+1,944	+4,178	− 112	−2,122	+3,122
1975 *1*	4,658	5,602	− 944	2,812	2,316	+ 496[†]	+ 368	+ 201	− 73	− 448
2	4,594	5,307	− 713	2,759	2,387	+ 372	+ 376	+ 142	− 146	− 341
3	4,806	5,836	−1,030	2,842	2,414	+ 428	+ 360	+ 180	− 112	− 602
4	5,272	5,918	− 646	3,054	2,538	+ 516	+ 415	+ 250	− 149	− 130
1976 *1*	5,599	6,123	− 524	3,382	2,719	+ 663	+ 563	+ 294	− 194	+ 139
2	6,164	7,212	−1,048	3,612	2,881	+ 731	+ 548	+ 350	− 167	− 317
3	6,400	7,627	−1,227	3,889	3,060	+ 829	+ 648	+ 369	− 188	− 398
4	7,028	8,158	−1,130	4,117	3,292	+ 825	+ 684	+ 352	− 211	− 305
1977 *1*	7,437	8,370	− 933	4,074	3,467	+ 607	+ 730	+ 122	− 245	− 326
2	7,914	8,831	− 917	4,144	3,623	+ 521	+ 818	− 16	− 281	− 396
3	8,354	8,520	− 166	4,260	3,761	+ 499	+ 831	− 10	− 322	+ 333
4	8,023	8,291	− 268	4,310	3,694	+ 616	+ 875	+ 8	− 267	+ 348
1978 *1*	8,282	8,844	− 562	4,417	4,021	+ 396	+ 885	+ 56	− 545	− 166
2	8,790	8,949	− 159	4,615	3,986	+ 629	+ 814	+ 225	− 410	+ 470
3	8,854	9,411	− 557	4,884	4,203	+ 681	+ 989	+ 172	− 480	+ 124
4	9,137	9,401	− 264	5,042	4,267	+ 775	+1,023	+ 139	− 387	+ 511
1979 *1*	8,310	9,736	−1,426	5,513	4,654	+ 859	+ 984	+ 396	− 521	− 567
2	10,765	11,280	− 515	5,656	5,143	+ 513	+ 944	+ 91	− 522	− 2
3	10,488	11,241	− 753	6,171	5,440	+ 731	+1,032	+ 322	− 623	− 22
4	11,115	11,879	− 764	6,354	5,862	+ 492	+1,079	+ 37	− 624	− 272
1980 *1*	11,876	12,261	− 385	6,413	5,965	+ 448	+1,068	− 115	− 505	+ 63
2	11,915	12,237	− 322	6,523	6,180	+ 343	+1,034	− 30	− 661	+ 21
3	11,707	11,087	+ 620	6,050	5,746	+ 304	+ 965	− 36	− 625	+ 924
4	11,891	10,626	+1,265	6,546	5,697	+ 849	+1,111	+ 69	− 331	+2,114
1981 *1*[3]	..	10,036	..	7,167	5,844	+1,323	+1,098	+ 339	− 114	..
2	..	..	..	6,730	6,071	+ 659	+1,003	+ 414	− 758	..
3	..	..	..	6,947	6,644	+ 303	+ 867	+ 154	− 718	..
1980 *A*	3,953	4,252	− 299	..	..	+ 114[2]	..	..	..	− 185
M	4,016	4,031	− 15	..	..	+ 114[2]	..	..	..	+ 99
J	3,946	3,954	− 8	..	..	+ 115[2]	..	..	..	+ 107
J	4,050	3,748	+ 302	..	..	+ 101[2]	..	..	..	+ 403
A	3,784	3,811	− 27	..	..	+ 101[2]	..	..	..	+ 74
S	3,873	3,528	+ 345	..	..	+ 102[2]	..	..	..	+ 447
O	3,943	3,438	+ 505	..	..	+ 283[2]	..	..	..	+ 788
N	3,948	3,540	+ 408	..	..	+ 283[2]	..	..	..	+ 691
D	4,000	3,648	+ 352	..	..	+ 283[2]	..	..	..	+ 635
1981 *J*	4,006	3,264	+ 742	..	..	+ 441[2]	..	..	..	+1,183
F	3,833	3,519	+ 314	..	..	+ 441[2]	..	..	..	+ 755
M	..	3,253	..	..	..	+ 441[2]	..	..	..	..
A	..	3,307	..	..	..	+ 219[2]	..	..	..	..
M	..	..	..	..	..	+ 220[2]	..	..	..	..
J	..	..	..	..	..	+ 220[2]	..	..	..	..
J	..	..	..	..	..	+ 101[2]	..	..	..	..
A	..	..	..	..	..	+ 101[2]	..	..	..	..
S	4,459	4,446	+ 13	..	..	+ 101[2]	..	..	..	+ 114
O	4,300	4,184	+ 116	..	..	+ 167[3]	..	..	..	+ 283
N										
D										

[1] The quarterly and annual figures are consistent with the latest quarterly balance of payments article. The monthly figures, which may incorporate subsequent revisions are as published by the Department of Trade. Data for March to August 1981 exports and May to August imports will be published when available.

[2] One third of the appropriate calendar quarter's estimate; monthly figures of invisibles are not available.

[3] These figures are projections and are subject to revision as the relevant statistical information becomes available.

Balance of payments: current account

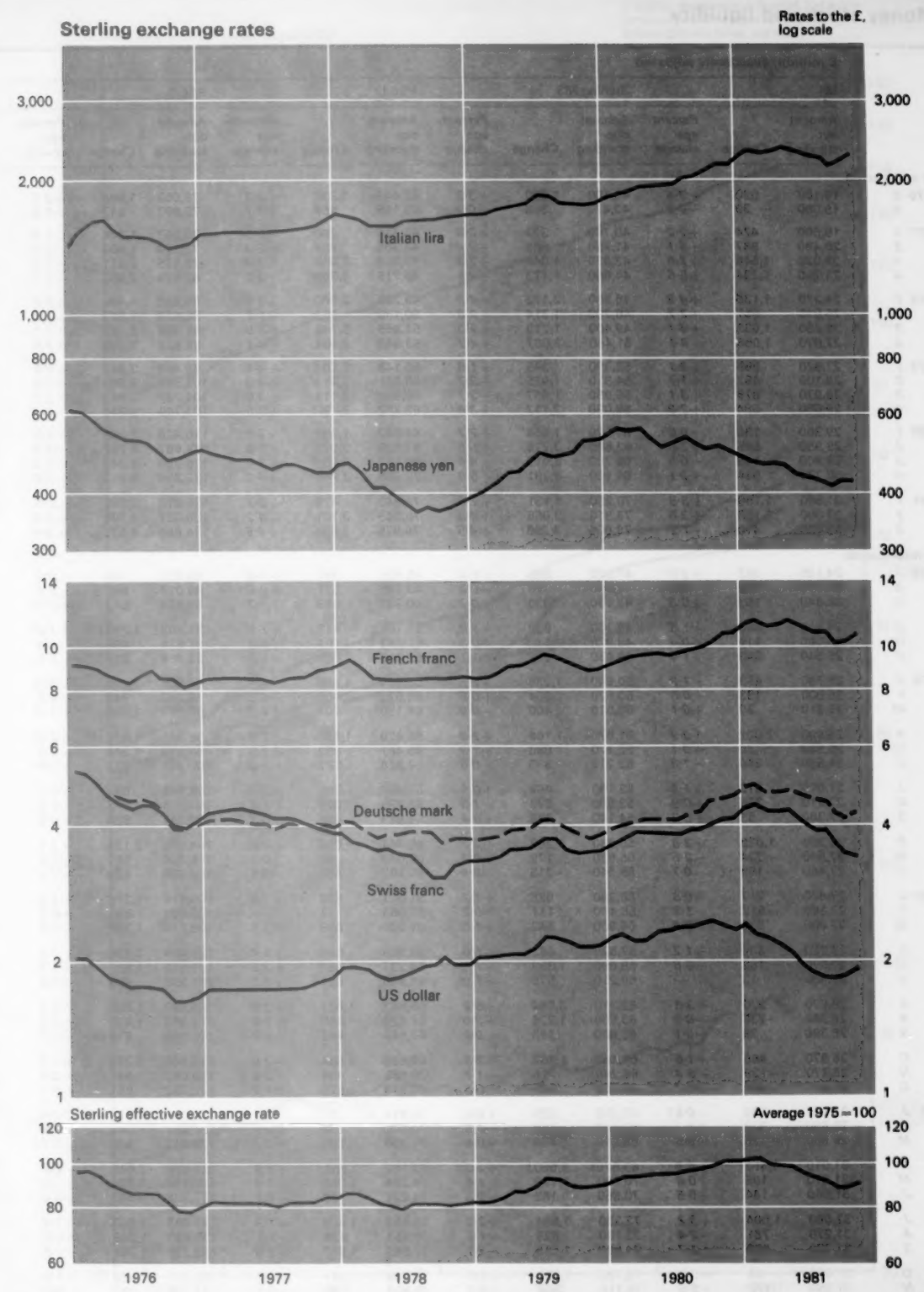


Sterling exchange rates and UK official reserves

		Sterling exchange rate against major currencies[1]						$ million	Average 1975 = 100
		Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark	UK official reserves[2] (at end of period)	Sterling effective exchange rate
1969		..	2·390	10·308	12·43	1,499	9·379	2,528	129·4
1970		857·8	2·396	10·327	13·24	1,502	8·736	2,827	128·1
1971		844·6	2·444	10·069	13·46	1,511	8·530	6,582	127·9
1972		752·3	2·502	9·554	12·62	1,460	7·975	5,646	123·3
1973		664·6	2·453	7·758	10·90	1,426	6·540	6,476	111·8
1974		682·7	2·340	6·965	11·25	1,522	6·049	6,789	108·3
1975		658·1	2·220	5·723	9·50	1,447	5·447	5,429	100·0
1976		535·4	1·805	4·521	8·61	1,497	4·552	4,129	85·7
1977		467·7	1·746	4·189	8·57	1,540	4·050	20,557	81·2
1978		402·7	1·920	3·423	8·64	1,628	3·850	15,694	81·5
1979		465·6	2·122	3·525	9·03	1,762	3·887	22,538	87·3
1980		525·6	2·328	3·894	9·82	1,992	4·227	27,476	96·1
1976	*3*	514·0	1·766	4·380	8·67	1,483	4·473	5,158	84·1
	4	484·8	1·651	4·038	8·23	1,424	3·977	4,129	78·1
1977	*1*	488·7	1·714	4·324	8·53	1,514	4·107	9,618	80·9
	2	473·0	1·719	4·315	8·51	1,523	4·059	11,572	80·6
	3	461·8	1·735	4·160	8·49	1,532	4·005	17,171	80·8
	4	447·4	1·813	3·962	8·76	1,592	4·032	20,557	82·6
1978	*1*	458·3	1·928	3·720	9·17	1,662	4·000	20,320	84·8
	2	404·6	1·835	3·516	8·45	1,583	3·809	16,542	79·9
	3	372·2	1·932	3·241	8·46	1,617	3·875	16,511	80·6
	4	377·2	1·984	3·222	8·51	1,649	3·718	15,694	80·6
1979	*1*	406·3	2·016	3·375	8·61	1,691	3·740	21,947	82·4
	2	453·1	2·081	3·565	9·11	1,762	3·944	22,070	87·0
	3	488·6	2·234	3·657	9·46	1,825	4·059	22,692	91·3
	4	513·7	2·157	3·505	8·94	1,771	3·810	22,538	88·5
1980	*1*	548·5	2·254	3·740	9·34	1,857	3·995	26,963	93·0
	2	528·6	2·286	3·833	9·61	1,942	4·132	28,172	94·5
	3	523·2	2·382	3·885	9·81	2,008	4·226	27,637	96·7
	4	502·2	2·387	4·115	10·53	2,159	4·551	27,476	100·2
1981	*1*	474·7	2·309	4·376	11·21	2,311	4·814	28,212	101·4
	2	456·5	2·077	4·024	11·25	2,354	4·728	25,631	97·8
	3	425·7	1·839	3·852	10·66	2,234	4·469	23,696	90·6
	4								
1979	*O*	493·3	2·145	3·491	9·00	1,770	3·836	22,318	88·0
	N	522·5	2·133	3·508	8·87	1,760	3·781	22,237	88·1
	D	528·0	2·198	3·517	8·94	1,785	3·813	22,538	89·6
1980	*J*	538·8	2·266	3·612	9·15	1,823	3·907	23,441	91·8
	F	558·9	2·290	3·751	9·37	1,854	4·001	23,670	93·7
	M	548·2	2·206	3·865	9·51	1,896	4·081	26,963	93·5
	A	552·2	2·216	3·855	9·60	1,934	4·142	28,008	94·3
	M	525·4	2·304	3·830	9·63	1,942	4·125	28,284	94·7
	J	509·2	2·336	3·815	9·60	1,951	4·128	28,172	94·5
	J	524·3	2·373	3·812	9·62	1,973	4·145	28,272	95·6
	A	530·8	2·371	3·914	9·83	2,008	4·242	28,291	96·8
	S	515·1	2·402	3·936	9·99	2,045	4·297	27,637	97·6
	O	505·7	2·417	4·011	10·28	2,111	4·533	28,026	99·2
	N	510·1	2·396	4·135	10·63	2,177	4·593	28,189	101·1
	D	491·1	2·346	4·184	10·70	2,194	4·620	27,476	100·2
1981	*J*	485·9	2·405	4·376	11·16	2,289	4·829	28,394	102·0
	F	471·8	2·294	4·469	11·42	2,343	4·921	28,434	102·5
	M	466·6	2·233	4·292	11·09	2,303	4·703	28,212	99·7
	A	467·9	2·179	4·292	11·13	2,345	4·707	28,066	99·2
	M	461·0	2·090	4·312	11·47	2,386	4·793	26,487	98·8
	J	442·3	1·974	4·090	11·16	2,333	4·691	25,631	95·4
	J	435·2	1·876	3·932	10·87	2,278	4·577	24,568	92·5
	A	425·2	1·821	3·953	10·89	2,267	4·558	24,511	91·2
	S	416·8	1·817	3·680	10·25	2,159	4·279	23,696	88·0
	O	426·4	1·843	3·467	10·36	2,196	4·145	23,316	88·2
	N	424·8	1·904	3·398	10·69	2,267	4·237	23,463	90·1
	D								

[1] Average of daily Telegraphic Transfer rates in London.

[2] Apart from transactions, the level of official reserves has been affected, since 1970, by changes in the valuation of gold, Special Drawing Rights and convertible currencies. In addition, from July 1972, the official reserves were redefined to include the reserve position in the IMF. Substantial valuation changes at March 1979 and March 1980 increased the level of reserves by $4,493 million and $3,089 million respectively. Valuation changes at March 1981 reduced the level of reserves by $257 million. These valuation changes are described in detail in the footnotes of Table 18 of the quarterly balance of payments articles in the March, June, September and December issues of *Economic Trends*.


Sterling exchange rates
Rates to the £, log scale
3,000
2,000
1,000
800
600
400
300
Italian lira
Japanese yen
14
10
8
6
4
2
1
French franc
Deutsche mark
Swiss franc
US dollar
Sterling effective exchange rate
Average 1975=100
120
100
80
60
1976
1977
1978
1979
1980
1981

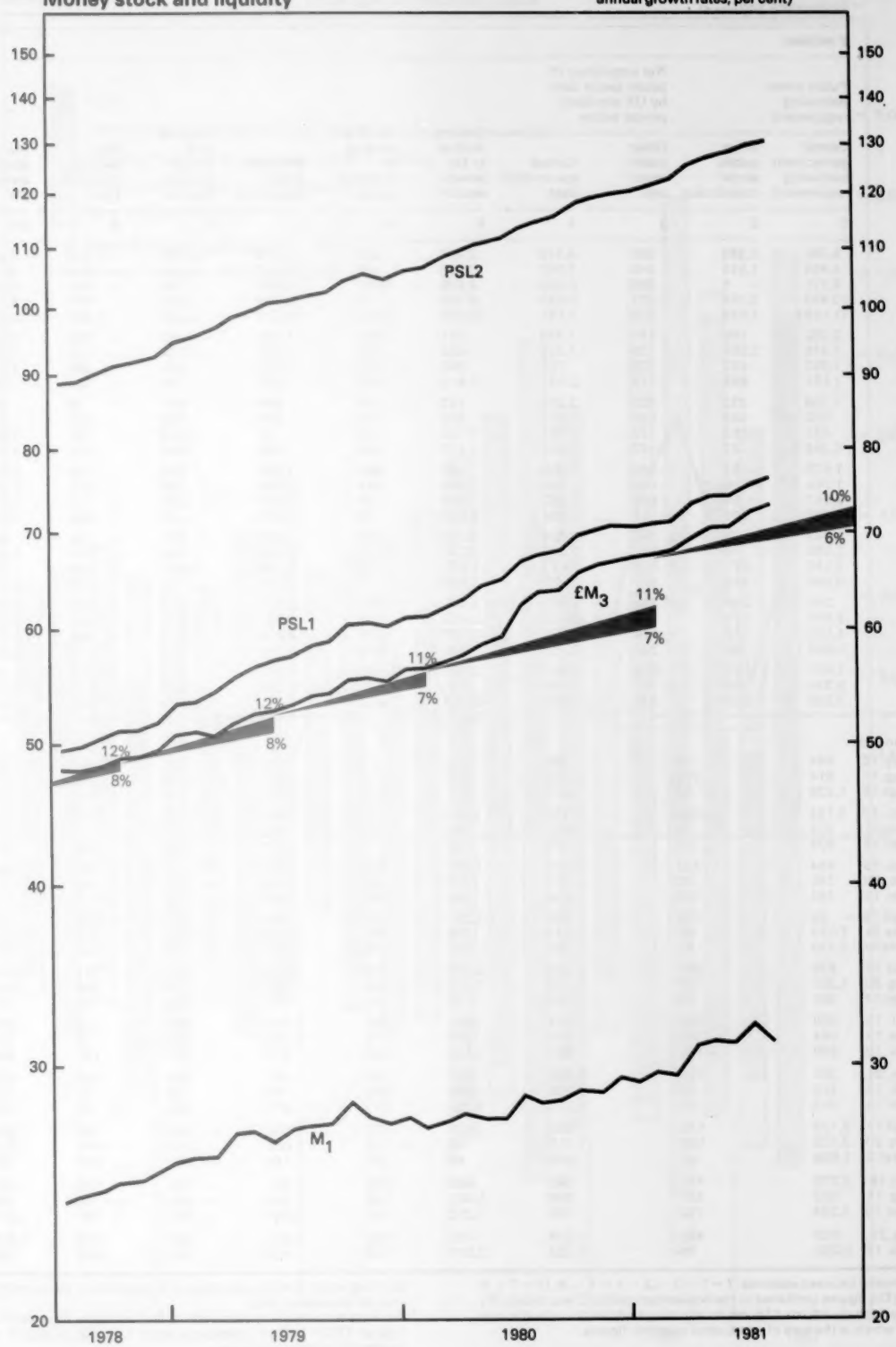
Money stock and liquidity

£ million, seasonally adjusted

	M1			Sterling M3			PSL 1			PSL 2		
	Amount outstanding	Change	*Percentage change*	Amount outstanding	Change	*Percentage change*	Amount outstanding	Change	*Percentage change*	Amount outstanding	Change	*Percentage change*
At end period												
1976 *3*	19,100	620	*+3·4*	40,100	1,290	*+3·3*	42,649	1,370	*+3·3*	73,052	1,940	*+2·7*
4	19,060	− 39	*−0·2*	40,470	368	*+0·9*	43,115	468	*+1·1*	73,897	847	*+1·2*
1977 *1*	19,500	424	*+2·2*	40,760	324	*+0·8*	43,316	200	*+0·5*	75,247	1,348	*+1·8*
2	20,490	987	*+5·1*	41,750	985	*+2·4*	44,303	984	*+2·3*	77,210	1,960	*+2·6*
3	22,030	1,548	*+7·6*	42,830	1,049	*+2·5*	45,355	1,048	*+2·4*	79,525	2,311	*+3·0*
4	23,250	1,234	*+5·6*	44,650	1,773	*+4·1*	46,715	1,358	*+3·0*	82,479	2,952	*+3·7*
1978 *1*	24,370	1,136	*+4·9*	46,880	2,172	*+4·9*	49,280	2,560	*+5·5*	86,980	4,496	*+5·5*
2	25,010	651	*+2·7*	48,200	1,314	*+2·8*	50,130	853	*+1·7*	88,820	1,843	*+2·1*
3	26,030	1,033	*+4·1*	49,400	1,219	*+2·5*	51,859	1,745	*+3·5*	91,586	2,782	*+3·1*
4	27,070	1,056	*+4·1*	51,440	2,067	*+4·2*	53,943	2,104	*+4·1*	94,825	3,259	*+3·6*
1979 *1*	27,620	566	*+2·1*	52,390	945	*+1·8*	56,148	2,204	*+4·1*	98,468	3,642	*+3·8*
2	28,100	482	*+1·7*	54,310	1,925	*+3·7*	58,561	2,414	*+4·3*	101,969	3,502	*+3·6*
3	28,970	879	*+3·1*	55,950	1,657	*+3·1*	60,660	2,114	*+3·6*	104,737	2,783	*+2·7*
4	29,550	584	*+2·0*	58,030	2,112	*+3·8*	62,752	2,120	*+3·5*	107,749	3,040	*+2·9*
1980 *1*	29,360	−186	*−0·6*	59,570	1,564	*+2·7*	64,042	1,399	*+2·2*	110,426	2,786	*+2·6*
2	29,950	585	*+2·0*	62,860	3,275	*+5·5*	67,635	3,579	*+5·6*	114,667	4,227	*+3·8*
3	29,800	−149	*−0·5*	65,790	2,919	*+4·6*	69,937	2,289	*+3·4*	118,026	3,346	*+2·9*
4	30,730	934	*+3·1*	69,100	3,291	*+5·0*	72,895	2,940	*+4·2*	122,256	4,212	*+3·6*
1981 *1*	31,880	1,158	*+3·8*	70,250	1,131	*+1·6*	73,240	476	*+0·7*	125,315	3,035	*+2·5*
2	33,000	1,123	*+3·5*	73,310	3,055	*+4·3*	76,349	3,101	*+4·2*	130,027	4,704	*+3·8*
3	33,410	410	*+1·2*	76,600	3,296	*+4·5*	79,875	3,534	*+4·6*	134,696	4,677	*+3·6*
At mid-month												
1978 *J*	24,100	482	*+2·0*	47,920	685	*+1·4*	49,424	387	*+0·8*	88,525	795	*+0·9*
A	24,370	283	*+1·2*	47,840	− 76	*−0·2*	49,736	321	*+0·6*	89,077	561	*+0·6*
S	24,540	183	*+0·8*	48,150	320	*+0·7*	50,328	598	*+1·2*	89,914	843	*+0·9*
O	24,910	368	*+1·5*	48,770	632	*+1·3*	51,169†	848†	*+1·7*	91,203†	1,296†	*+1·4*
N	25,000	110	*+0·4*	48,920	170	*+0·3*	51,243	101	*+0·2*	91,674	498	*+0·5*
D	25,340	349	*+1·4*	49,430	532	*+1·1*	51,817	607	*+1·2*	92,458	817	*+0·9*
1979 *J*	25,790	473	*+1·9*	50,640	1,236	*+2·5*	53,384	1,598	*+3·1*	94,550	2,123	*+2·3*
F	25,900	133	*+0·5*	50,920	304	*+0·6*	53,513	156	*+0·3*	95,263	740	*+0·8*
M	25,910	30	*+0·1*	50,510	−400	*−0·8*	54,199	701	*+1·3*	96,353	1,105	*+1·2*
A	26,900	1,002	*+3·9*	51,670	1,166	*+2·3*	55,629	1,434	*+2·6*	98,261	1,912	*+2·0*
M	26,930	26	*+0·1*	52,370	686	*+1·3*	56,487	852	*+1·5*	99,515	1,248	*+1·3*
J	26,580	−344	*−1·3*	52,710	333	*+0·6*	57,078	577	*+1·0*	100,401	872	*+0·9*
J	27,070	512	*+1·9*	53,190	464	*+0·9*	57,487	386	*+0·7*	100,979	555	*+0·6*
A	27,310	235	*+0·9*	53,900	677	*+1·3*	58,320	808	*+1·4*	101,916	912	*+0·9*
S	27,360	53	*+0·2*	54,140	239	*+0·4*	58,819	494	*+0·8*	102,741	820	*+0·8*
O	28,390	1,029	*+3·8*	55,350	1,202	*+2·2*	60,464	1,655	*+2·8*	104,858	2,127	*+2·1*
N	27,660	−734	*−2·6*	55,530	172	*+0·3*	60,540	60	*+0·1*	105,385	511	*+0·5*
D	27,460	−199	*−0·7*	55,340	−215	*−0·4*	60,192	−385	*−0·6*	104,998	−424	*−0·4*
1980 *J*	27,670	217	*+0·8*	56,280	928	*+1·7*	61,013	876	*+1·5*	106,219	1,276	*+1·2*
F	27,150	−512	*−1·9*	56,400	111	*+0·2*	61,063	12	—	106,801	544	*+0·5*
M	27,380	230	*+0·8*	56,960	542	*+1·0*	61,985	898	*+1·5*	108,214	1,389	*+1·3*
A	27,720	336	*+1·2*	57,520	562	*+1·0*	62,834	864	*+1·4*	109,424	1,225	*+1·1*
M	27,570	−162	*−0·6*	58,600	1,059	*+1·8*	64,237	1,383	*+2·2*	111,025	1,581	*+1·4*
J	27,580	13	—	59,210	576	*+1·0*	64,963	684	*+1·1*	111,935	868	*+0·8*
J	28,570	970	*+3·5*	62,310	3,064	*+5·2*	66,647	1,627	*+2·5*	113,847	1,855	*+1·7*
A	28,340	−236	*−0·8*	63,600	1,226	*+2·0*	67,424	690	*+1·0*	114,963	1,029	*+0·9*
S	28,390	28	*+0·1*	63,800	133	*+0·2*	67,944	442	*+0·7*	115,860	819	*+0·7*
O	28,870	466	*+1·6*	65,460	1,602	*+2·5*	69,698	1,684	*+2·5*	118,160	2,230	*+1·9*
N	28,770	−129	*−0·4*	66,260	715	*+1·1*	70,185	406	*+0·6*	119,082	841	*+0·7*
D	29,470	665	*+2·3*	66,900	556	*+0·8*	70,949	675	*+1·0*	120,022	851	*+0·7*
1981 *J*	29,300	−178	*−0·6*†	67,310	326	*+0·5*	70,814	− 82	*−0·1*	120,841	717	*+0·6*
F	29,690	376	*+1·3*	67,540	150	*+0·2*	71,015	104	*+0·1*	121,987	1,049	*+0·9*
M	29 560	−135	*−0·5*	68,010	434	*+0·6*	71,206	151	*+0·2*	122,912	885	*+0·7*†
A	31,010	1,451	*+4·9*	69,570†	1,560†	*+2·3*†	73,167	1,962†	*+2·8*	125,560	2,649	*+2·2*
M	31,210	195	*+0·6*	70,700	1,129	*+1·6*	74,204	1,053	*+1·4*	127,188	1,644	*+1·3*
J	31,060	−144	*−0·5*	70,850	182	*+0·3*	74,221	39	*+0·1*	127,728	562	*+0·4*
J	32,060	1,004	*+3·2*	72,380	1,564	*+2·2*	75,592	1,409	*+1·9*	129,493	1,803	*+1·4*
A	31,270	−781	*−2·4*	73,130	825	*+1·1*	76,453	929	*+1·2*	130,487	1,062	*+0·8*
S	31,790	539	*+1·7*	74,580	1,519	*+2·1*	77,949	1,557	*+2·0*	132,221	1,795	*+1·4*
O	31,680	− 93	*−0·3*	75,780	1,238	*+1·7*	78,898	991	*+1·3*	133,467	1,288	*+1·0*
N	31,850	172	*+0·5*	76,110	368	*+0·5*	78,903	49	*+0·1*	133,706	283	*+0·2*

Money stock and liquidity

£ billion, seasonally adjusted, log scale
(and successive target ranges:
annual growth rates, per cent)



Domestic credit expansion and changes in money stock

Seasonally adjusted[1]

£ million

	Public sector borrowing requirement		Net acquisition of public sector debt by UK non-bank private sector		Sterling lending to UK private sector[2]	Sterling lending to overseas sector[3]	Domestic credit expansion	External and foreign currency finance	Non-deposit liabilities (net)	Money stock sterling M3
	Central government borrowing requirement	Other public sector contribution	Other public sector debt	Central government debt						
	1	2	3	4	5	6	7	8	9	10
1976	6,786	2,389	285	5,470	3,407	647	7,474	−2,767	−1,142	3,565
1977	4,469	1,519	546	7,907	3,188	405	1,128	3,444	− 442	4,130
1978	8,371	− 1	−299	6,360	4,698	1,062	8,069	− 382	− 915	6,772
1979	10,430	2,164	1,017	9,897	8,585	− 11	10,254	−2,822	− 817	6,615
1980	11,156†	1,048	275	9,187	10,025	2,803	15,570	−3,309	−1,347	10,914
1976 *1*	2,382	105	−141	1,339	251	343	1,883	− 491	− 250	1,142
2	1,315	1,004	129	1,039	685	261	2,097	−1,194	− 139	764
3	1,952	437	123	755	860	199	2,570	− 891	− 389	1,290
4	1,137	843	174	2,337	1,610	−156	923	− 191	− 364	368
1977 *1*	1,799	232	326	2,298	122	− 84	− 555	917	− 38	324
2	839	548	189	1,210	805	182	975	468	− 459	985
3	437	712	73	2,364	1,150	159	21	1,210	− 182	1,049
4	1,394	27	− 42	2,035	1,112	148	688	849	236	1,773
1978 *1*	1,623	− 52	−283	1,369	695	646	1,826	293	53	2,172
2	1,769	−186	−454	1,745	1,499	294	2,085	− 380	− 391	1,314
3	2,557	− 54	455	1,382	994	47	1,707	− 376	− 112	1,219
4	2,422	291	− 17	1,864	1,510	75	2,451	81	− 465	2,067
1979 *1*	1,563	1,005	355	3,104	2,338	− 82	1,365	− 331	− 89	945
2	2,583	19	−164	2,878	2,239	− 22	2,105	109	− 289	1,925
3	3,198	677	512	1,677	1,970	92	3,748	−1,847	− 244	1,657
4	3,086	463	314	2,230	2,038	1	3,044	− 753	− 179	2,112
1980 *1*	241	258	221	1,480	3,155	423	2,376	− 221	− 591	1,564
2	2,909	691	410	1,722	2,428	606	4,502	−1,076	− 151	3,275
3	4,006	135	−154	3,106	2,696	806	4,691	−1,439	− 333	2,919
4	4,000	− 36	−202	2,762	1,746	968	4,118	− 573	− 254	3,291
1981 *1*	1,422	−133	−538	3,853	2,058	1,187	1,219	182	− 270	1,131
2	5,320	755	− 37	3,246	801	421	4,088	− 559	− 474	3,055
3	3,596	−629	−226	1,695	3,059	954	5,511	−1,609	− 606	3,296
Month ended										
July 18	844		− 6	730	439	− 11	536	16	− 88	464
Aug. 15	614		218	209	502	113	1,238	− 503	− 58	677
Sept. 19	1,226		88	811	531	− 34	1,000	− 659	− 102	239
Oct. 17	1,152		−609	−182	1,112	− 29	1,808	− 393	− 213	1,202
Nov. 21	379		70	652	983	103	883	− 706	− 5	172
Dec. 12	835		− 68	1,276	189	− 7	−327	220	− 108	− 215
1980 Jan. 16	484		433	1,564	1,387	175	915	79	− 66	928
Feb. 20	− 245		45	510	779	89	158	− 91	44	111
Mar. 19	784		−125	234	364	101	890	− 238	− 110	542
April 16	− 66		155	660	1,297	222	948	− 277	− 109	562
May 21	1,152		− 57	373	595	−181	1,136	148	− 225	1,059
June 18	1,734		81	767	220	275	1,543	− 920	− 47	576
July 16	836		367	228	2,208	666	3,849	− 458	− 327	3,064
Aug. 20	1,207		140	1,032	1,103	350	1,768	− 346	− 196	1,226
Sept. 17	967		34	1,073	723	84	735	− 562	− 40	133
Oct. 15	999		229	974	944	234	1,432	352	− 182	1,602
Nov. 19	984		155	931	312	515	1,035	− 330	10	715
Dec. 10	999		−125	662	472	236	920	− 232	− 132	556
1981 Jan. 21	396		339	1,005	827	−156	401	− 200	125	326
Feb. 18	412		− 90	1,298	665	403	92	98	− 40	150
Mar. 18	673		192	1,715	1,054	611	815	− 286	− 95	434
April 15	2,102		119	892	406	323	2,058	− 598	100	1,560
May 20	2,028		500	1,415	48	−133	1,028	212	− 111	1,129
June 17	1,689		97	965	48	295	1,164	− 571	− 411	182
July 15	2,279		−452	590	408	595	2,240	− 501	− 175	1,564
Aug. 19	283		251	899	1,463	148	1,246	− 339	− 82	825
Sept. 16	1,204		−220	181	1,212	450	2,465	− 765	− 181	1,519
Oct. 21	910		640	1,234	777	461	1,554	− 448	132	1,238
Nov. 18	1,050		96	1,354	2,577	144	413	− 319	274	368

Relationship between columns: 7 = 1 + 2 − 3 − 4 + 5 + 6; 10 = 7 + 8 + 9 (The figures combined in the bracket are column 2 *less* column 3.)

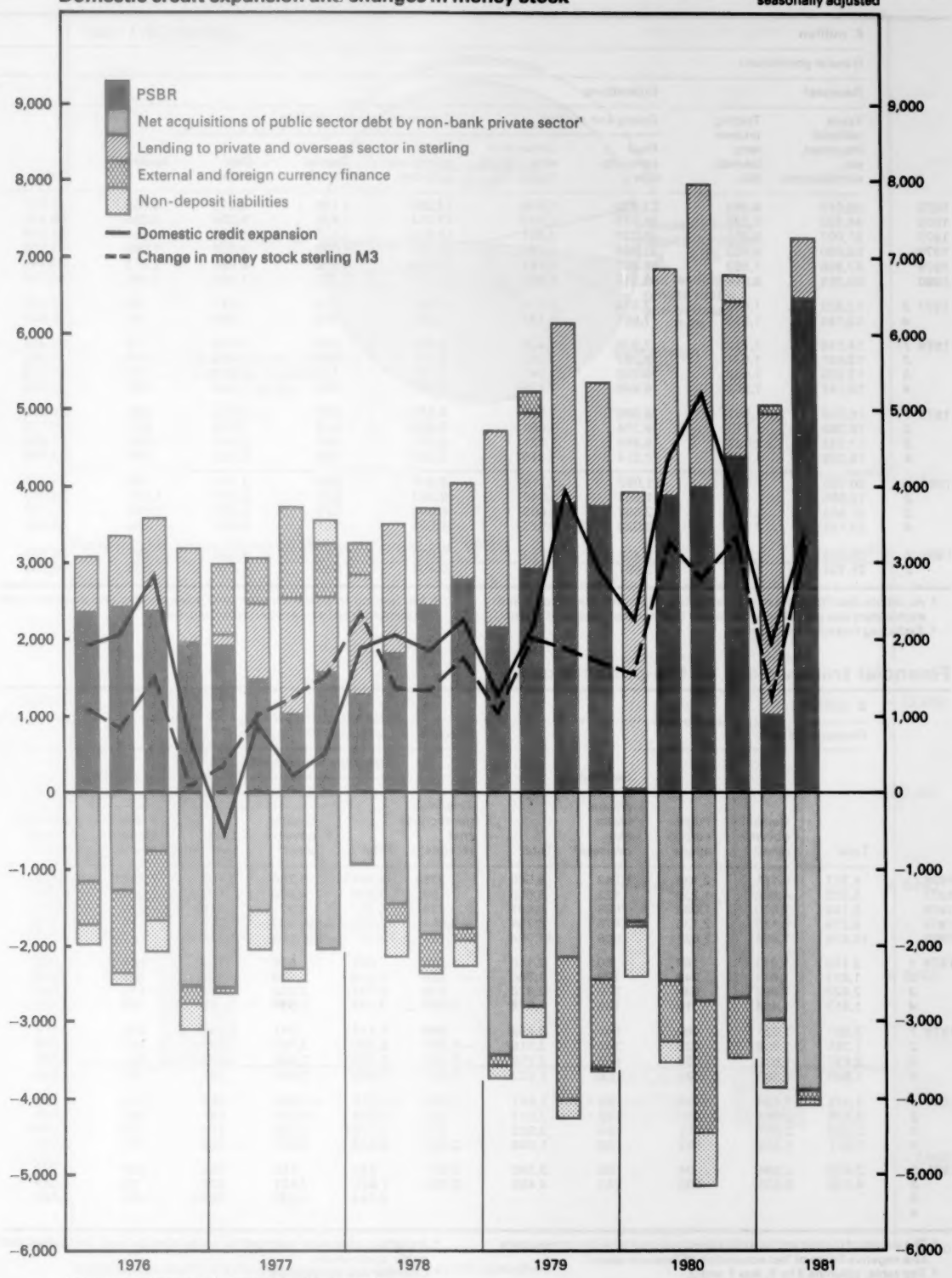
[1] The seasonally adjusted figures do not always add to the calendar year total which is the sum of unadjusted quarterly figures.

[2] Banking sector lending *plus* Bank of England Issue Department holdings of commercial bills.

[3] Banking sector lending *plus* Bank of England Issue Department holdings of ECGD-backed promissory notes acquired as part of money market smoothing operations.

Domestic credit expansion and changes in money stock

£ million, seasonally adjusted



[1] Increases are shown as (—), decreases are shown as (+)

General government receipts and expenditure[1]

£ million

	General government								
	Receipts[2]		Expenditure						
			Goods and services		Current and capital transfers				
	Taxes, national insurance, etc. contributions	Trading income rent, interest, etc.	Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest	Net lending, etc.[3]	Total
1975	38,519	4,454	23,039	5,074	14,356	1,196	4,211	3,755	51,631
1976	44,703	5,232	26,776	5,497	17,014	1,435	5,394	2,365	58,481
1977	51,007	5,911	29,237	4,951	19,516	1,537	6,373	254	61,868
1978	56,690	6,453	32,969	4,760	23,232	2,025	7,227	1,690	71,903
1979	67,946	7,582	38,241	5,161	27,424	1,895	8,950	3,273	84,944
1980	83,359	8,914	48,337	5,800	32,523	2,282	11,285	3,493	103,720
1977 *3*	12,822	1,695	7,374	1,174	4,851	328	1,747	89	15,563
4	13,149	1,313	7,551	1,197	5,088	376	1,480	— 91	15,601
1978 *1*	14,115	1,712	7,975	1,488	5,664	695	1,978	75	17,875
2	13,531	1,501	8,087	966	5,727	408	1,455	440	17,083
3	13,903	1,688	8,259	1,147	5,784	442	1,951	730	18,313
4	15,141	1,552	8,648	1,159	6,057	480	1,843	445	18,632
1979 *1*	16,010	1,952	8,888	1,521	6,545	499	2,330	554	20,337
2	16,365	1,777	9,284	1,001	6,839	456	1,918	672	20,170
3	17,233	2,023	9,855	1,321	6,671	447	2,540	1,055	21,889
4	18,338	1,830	10,214	1,318	7,369	493	2,162	992	22,548
1980 *1*	20,765	2,124	11,092	1,718	7,835	599	3,144	159	24,547
2	18,859	2,248	11,683	1,146	8,083	531	2,328	1,441	25,212
3	21,603	2,250	12,532	1,409	8,096	625	3,288	1,169	27,119
4	22,132	2,292	13,030	1,527	8,509	527	2,525	724	26,842
1981 *1*	23,599	2,512	13,404	1,752	9,009	742	3,588	387	28,882
2	21,734	2,401	13,687	974	9,804	689	2,516	526	28,196

[1] An article describing the new presentation of government income and expenditure was published in the March 1977 issue of *Economic Trends*.
[2] Excluding financial transactions.
[3] Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc. (net).

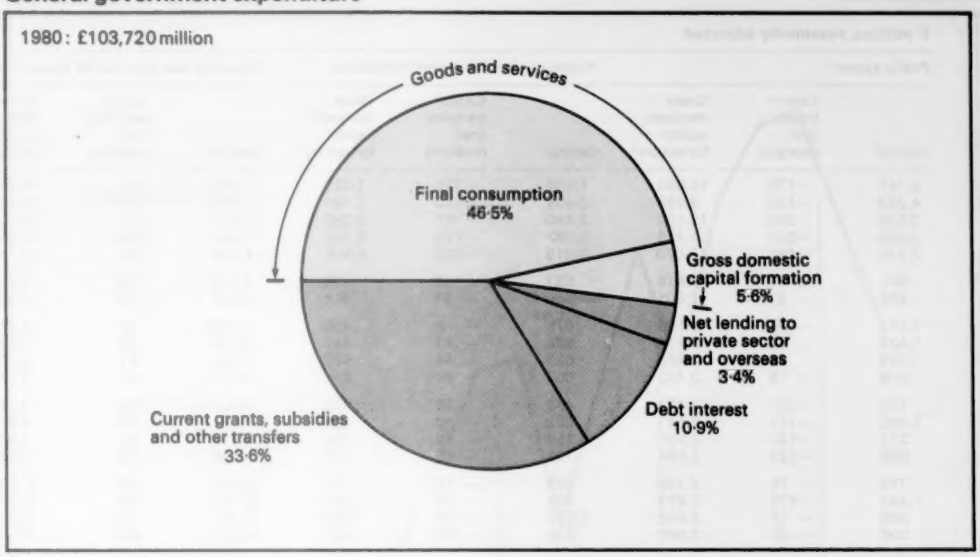
Financial transactions of the public sector

£ million

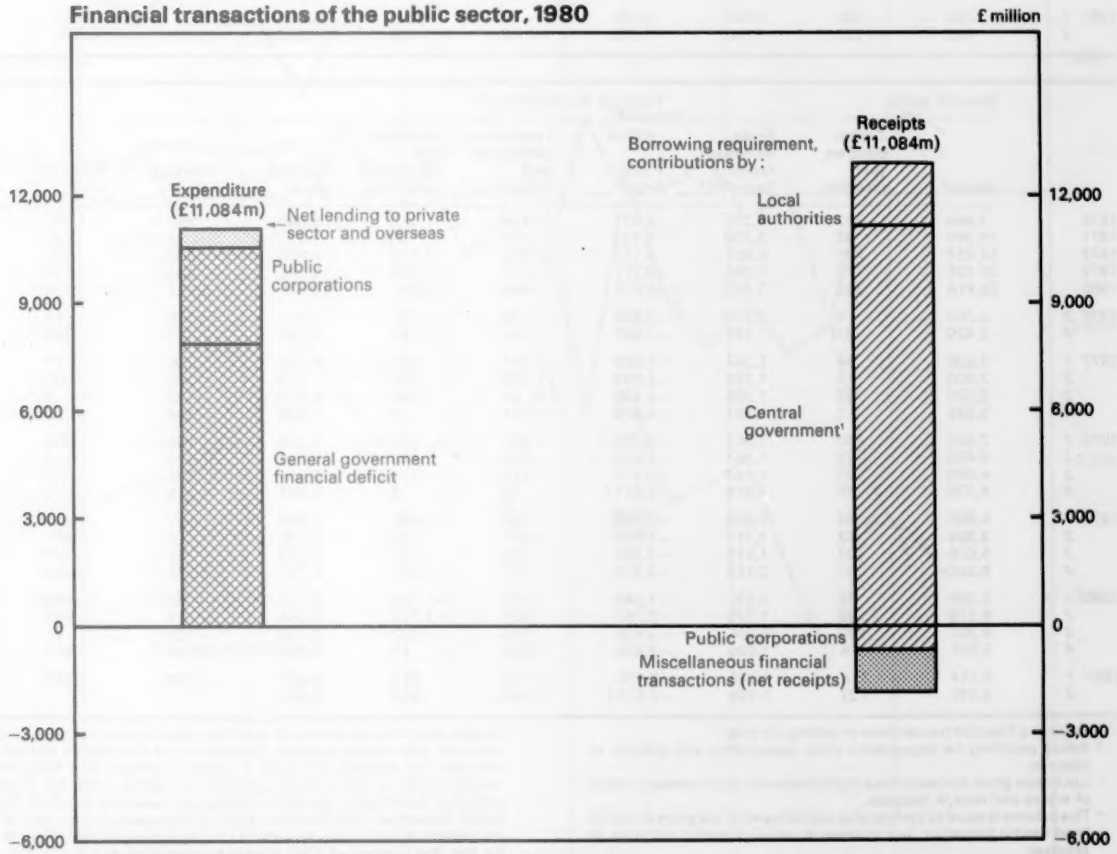
	Financial deficit[1]					Receipts					
							Borrowing requirement				
								Contributions by:			
	Total	General government[2]	Public corporations	Net lending etc., to private sector and overseas[3]	Total	Financial transactions (net receipts)	Total	Central government[4]	Local authorities	Public corporations	Seasonally adjusted total[5]
1976	8,317	6,181	2,136	1,243	9,560	375†	9,185†	6,786	1,103	1,296†	9,128
1977	5,932	4,696	1,236	123	6,055	59	5,996	4,469	183	1,344	5,996
1978	8,153	7,070	1,083	538	8,691	334	8,357	8,371	659	—673	8,357
1979	8,279	6,143	2,136	475	8,754	—3,854	12,608	10,430	1,763	415	12,608
1980	10,575	7,954	2,621	509	11,084	—1,127	12,211	11,156	1,782	—727	12,211†
1978 *1*	2,160	1,973	187	— 50	2,110	1,511	599	534	709	— 644	1,565
2	1,857	1,611	246	123	1,980	— 238	2,218	2,659	— 136	— 305	1,555
3	2,623	1,992	631	300	2,923	626	2,297	2,259	154	— 116	2,502
4	1,513	1,494	19	165	1,678	—1,565	3,243	2,919	— 68	392	2,735
1979 *1*	2,281	1,821	460	181	2,462	989	1,473	247	1,001	225	2,573
2	1,781	1,356	425	237	2,018	—1,367	3,385	3,797	— 221	— 191	2,620
3	2,637	1,578	1,059	115	2,752	—1,043	3,795	2,842	632	321	3,866
4	1,580	1,388	192	— 58	1,522	—2,433	3,955	3,544	351	60	3,549
1980 *1*	1,915	1,499	416	— 98	1,817	3,038	—1,221	—1,956	1,388	— 653	502
2	3,475	2,664	811	442	3,917	— 902	4,819	4,619	541	— 341	3,596
3	3,308	2,097	1,211	194	3,502	— 273†	3,775†	3,246	313	216†	4,144†
4	1,877	1,694	183	— 29	1,848	—2,990	4,838	5,247	— 460	51	3,969
1981 *1*	2,478	2,384	94	— 88	2,390	2,631	— 241	— 156	554	— 639	1,281
2	4,215	3,535	680	240	4,455	—3,365	7,820	7,421	304	95	6,049
3							2,184	2,223	269†	— 308	2,983
4											

[1] The excess of current and capital expenditure over receipts; corresponds to a negative figure of 'net acquisition of financial assets'.
[2] Top table, columns 3 to 7, *less* 1 and 2.
[3] Including cash expenditure on company securities (net.)
[4] Including borrowing matched by on-lending to local authorities and public corporations.
[5] Calendar year constrained.

General government expenditure



Financial transactions of the public sector, 1980



[1] Including borrowing matched by on-lending to local authorities and public corporations.

Sector financial accounts

£ million, seasonally adjusted

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
1976	2,741	−175	10,883	1,934	−125	1,923	13,690	357	13,790
1977	4,223	−193	9,962	2,405	−140	2,180	14,999	251	15,191
1978	2,546	−599	10,100	2,540	− 67	3,092	16,815	370	16,036
1979	3,460	−320	11,419	3,780	−175	3,742	19,400	320	22,994
1980	2,978	−483	13,070	5,618	−202	4,948	14,168	383	17,493
1976 *3*	451	− 44	2,676	537	− 39	528	3,521	92	3,786
4	881	− 87	2,601	659	− 39	514	3,997	95	4,208
1977 *1*	1,119	− 74	2,565	675	− 9	455	3,785	49	4,213
2	1,423	− 62	2,413	598	− 43	447	3,749	90	3,989
3	1,063	− 39	2,492	623	− 44	662	3,833	51	3,320
4	618	− 18	2,492	509	− 44	616	3,632	61	3,669
1978 *1*	712	−243	2,428	433	78	758	3,923	105	3,799
2	1,052	−111	2,547	592	− 48	788	4,437	80	4,070
3	277	−123	2,531	719	− 49	785	4,317	90	3,932
4	505	−122	2,594	796	− 48	761	4,138	95	4,235
1979 *1*	712	− 76	2,704	945	− 11	794	3,975	53	5,656
2	1,342	−106	2,673	856	− 53	1,064	5,153	106	5,066
3	900	− 78	3,082	1,055	− 56	899	5,301	97	6,126
4	506	− 60	2,960	924	− 55	985	4,971	64	6,146
1980 *1*	1,282	−104	3,126	1,328	− 16	1,089	4,933	32	5,751
2	510	−109	3,188	1,588	− 60	1,180	3,717	79	4,970
3	114	−193	3,355	1,470	− 64	1,251	2,717	127	3,816
4	1,072	− 77	3,401	1,232	− 62	1,428	2,801	145	2,956
1981 *1*	792	−190	3,081	1,186	− 26	1,305	3,892	102	3,381
2	563	−225†	3,161	1,349	− 68†	1,506	3,872	166	3,576

	Personal sector			Financial Surplus/Deficit[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Residual error[6]
1976	9,880	− 57	4,235	−8,317	−114	257	5,588	881†	1,705
1977	10,359	82	5,220	−5,932	85	59	5,221	41	526
1978	14,814	296	5,887	−8,153	−619	1,149	9,223	− 939	−661
1979	20,135	175	7,284	−8,279	−137	−3,274	13,026	863	−2,199
1980	25,418	302	7,420	−10,575	468	−2,942	18,300	−3,122	−2,129†
1976 *3*	2,787	− 9	1,118	−2,269	− 30	− 173	1,660	398	414
4	2,420	31	1,167	−1,807	106	− 116	1,284	305	228
1977 *1*	2,538	34	1,287	−1,520	211	− 379	1,285	326	77
2	2,000	15	1,297	−1,052	108	− 150	718	396	− 20
3	2,576	32	1,285	−1,468	− 83	564	1,323	−333	− 3
4	3,245	1	1,351	−1,892	−151	24	1,895	−348	472
1978 *1*	2,552	60	1,357	−1,959	−247	229	1,255	166	556
2	3,423	79	1,467	−1,606	−244	447	2,035	−470	−162
3	4,063	82	1,544	−2,377	−115	475	2,601	−124	−460
4	4,776	75	1,519	−2,211†	− 13	− 2	3,332	−511	−595
1979 *1*	4,865	34	1,493	−2,068	140	−1,628	3,406	567	−417
2	3,854	53	1,717	−1,437	−261	193	2,190	2	−687
3	5,076	37	1,910	−2,260	100	− 728	3,203	22	−337
4	6,340	51	2,164	−2,514	−116	−1,111	4,227	272	−758
1980 *1*	5,366	88	2,131	−1,948	223	− 786	3,323	− 63†	−749†
2	6,279	90	1,775	−2,787	348	−1,174	4,594	− 21	−960
3	6,892	130	1,894	−3,434	155	− 972	5,128	−924	47
4	6,881	− 6	1,620	−2,406	−258	− 10	5,255	−2,114	−467
1981 *1*	6,114	114	1,746	−2,479	−145	613	4,482	−2,720	249
2	5,270	127	1,706	−2,823†	−225†	462	3,691	..	..

[1] Excluding financial transactions in writing-off debt.

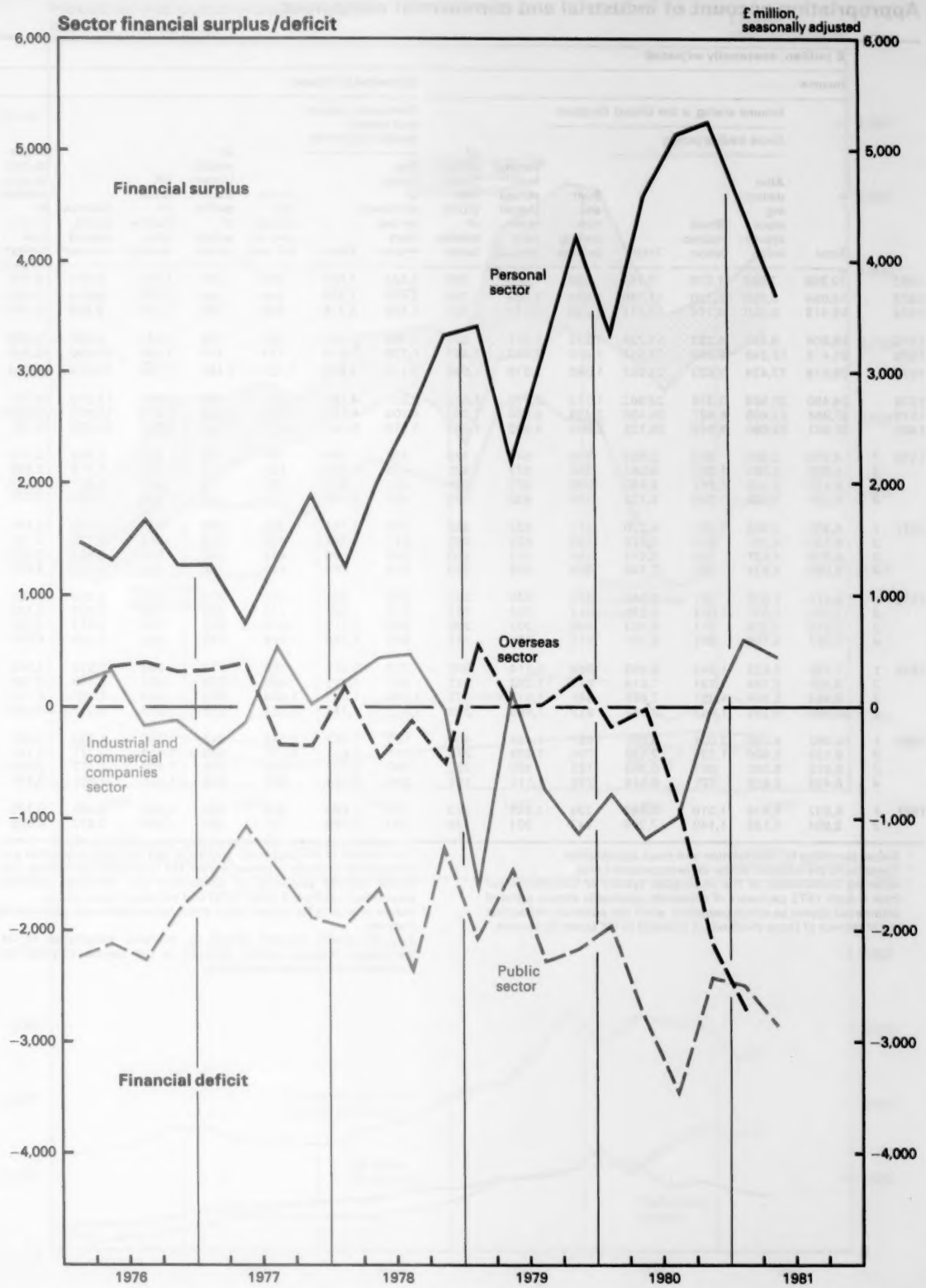
[2] Before providing for depreciation stock appreciation and addition to reserves.

[3] Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.

[4] This balance is equal to savings *plus* capital transfer *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.

[5] Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers. Because of the civil service dispute, data are not available for trade in goods in March. The financial surplus/deficit of the overseas sector in 1st quarter 1981 has been estimated by including figures for exports and imports of goods in the period December 1980/February 1981 as the goods component of net exports of goods and services in the 1st quarter of 1981. Figures for the 2nd quarter of 1981 cannot be calculated due to the non-availability of trade statistics data.

[6] The residual error in the national income accounts.


Sector financial surplus/deficit
£ million, seasonally adjusted
6,000
5,000
4,000
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
Financial surplus
Financial deficit
Personal sector
Overseas sector
Industrial and commercial companies sector
Public sector
1976
1977
1978
1979
1980
1981

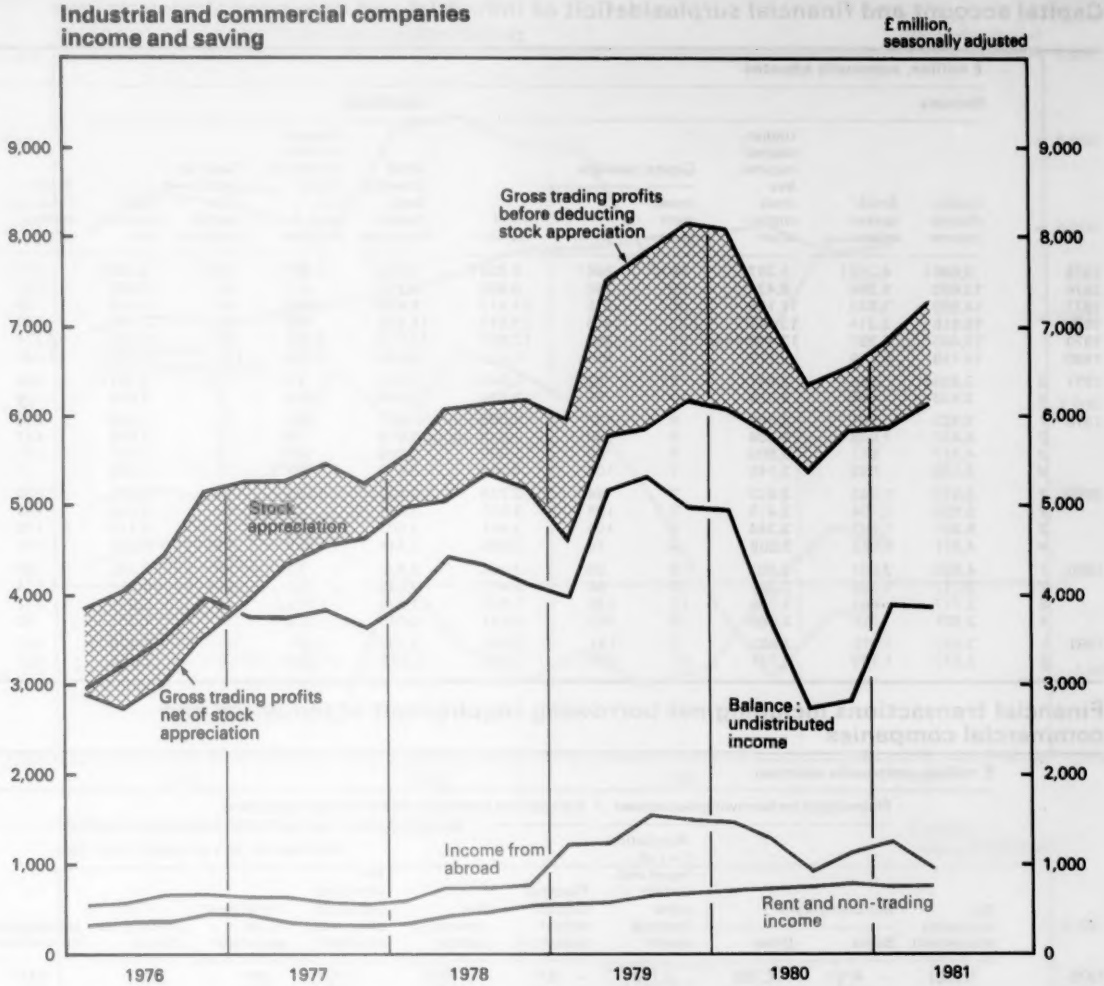
Appropriation account of industrial and commercial companies

£ million, seasonally adjusted

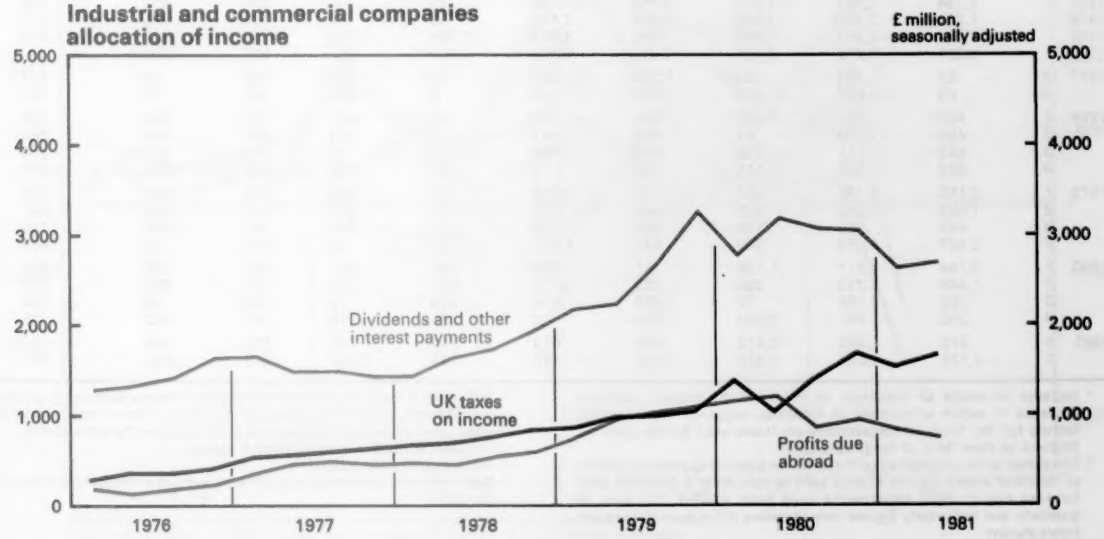
		Income							Allocation of income						
			Income arising in the United Kingdom						Dividends, interest and current transfer payments						
			Gross trading profits												
		Total	After deducting stock appreciation	Stock appreciation	Total[1]	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	*of which:* Unremitted profits of subsidiaries[2]	Payments of dividends on ordinary shares[3]	Other[3]	Profits due abroad (net of UK tax)	*of which:* Unremitted profits of subsidiaries[2]	UK taxes on income (payments)[4]	Balance: undistributed income[5]	Undistributed income adjusted for unremitted profits[5,6]
1972		10,399	7,692	1,075	8,767	606	1,026	395	1,524	1,529	549	321	1,036	5,761	5,687
1973		14,054	8,850	2,290	11,140	1,005	1,909	761	1,638	2,394	646	368	1,303	8,073	7,680
1974		16,415	8,300	4,714	13,014	1,290	2,111	791	1,469	3,376	506	260	2,075	8,989	8,458
1975		16,604	9,452	4,283	13,735	1,252	1,617	852	1,508	3,352	422	229	1,642	9,680	9,057
1976		21,413	12,248	5,266	17,514	1,510	2,389	1,341	1,725	3,879	724	214	1,395	13,690	12,563
1977		25,018	17,424	3,833	21,257	1,385	2,376	1,095	2,119	3,895	1,729	1,160	2,276	14,999	15,064
1978		28,450	20,588	3,374	23,962	1,713	2,775	1,022	2,551	4,159	1,980	984	2,945	16,815	16,777
1979		37,354	22,459	6,997	29,456	2,439	5,459	1,360	4,104	6,163	3,808	2,366	3,879	19,400	20,406
1980		35,841	23,080	5,049	28,129	2,909	4,803	1,096	3,918	8,141	4,077	2,709	5,537	14,168	15,781
1976	*1*	4,718	2,900	953	3,853	324	541	329	424	859	192	95	290	2,953	2,719
	2	5,000	2,764	1,303	4,067	356	577	321	420	888	130	−2	343	3,219	2,896
	3	5,475	3,018	1,444	4,462	380	633	336	431	972	189	−8	362	3,521	3,177
	4	6,220	3,566	1,566	5,132	450	638	355	450	1,160	213	129	400	3,997	3,771
1977	*1*	6,308	3,908	1,362	5,270	411	627	262	497	1,141	362	238	523	3,785	3,761
	2	6,232	4,351	919	5,270	339	623	280	511	964	453	318	555	3,749	3,787
	3	6,379	4,531	946	5,477	330	572	260	548	936	474	320	588	3,833	3,893
	4	6,099	4,634	606	5,240	305	554	293	563	854	440	284	610	3,632	3,623
1978	*1*	6,474	4,979	561	5,540	334	600	233	606	832	453	273	660	3,923	3,963
	2	7,193	5,075	1,003	6,078	413	702	267	638	985	433	269	700	4,437	4,439
	3	7,316	5,336	817	6,153	456	707	280	609	1,117	510	252	763	4,317	4,289
	4	7,467	5,198	993	6,191	510	766	242	698	1,225	584	190	822	4,138	4,086
1979	*1*	7,734	4,622	1,343	5,965	555	1,214	303	759	1,417	725	277	858	3,975	3,949
	2	9,331	5,784	1,734	7,518	571	1,242	321	807	1,415	965	733	991	5,153	5,565
	3	9,984	5,869	1,957	7,826	641	1,517	372	1,065	1,587	1,034	800	997	5,301	5,729
	4	10,305	6,184	1,963	8,147	672	1,486	364	1,473	1,744	1,084	556	1,033	4,971	5,163
1980	*1*	10,262	6,060	2,031	8,091	697	1,474	400	823	1,969	1,147	949	1,390	4,933	5,482
	2	9,129	5,800	1,336	7,136	705	1,288	279	1,121	2,071	1,171	686	1,049	3,717	4,124
	3	8,012	5,392	961	6,353	729	930	220	980	2,077	835	539	1,403	2,717	3,036
	4	8,438	5,828	721	6,549	778	1,111	197	994	2,024	924	535	1,695	2,801	3,139
1981	*1*	8,832	5,876	1,010	6,886	739	1,207	313	722	1,882	804	557	1,532	3,892	4,136
	2	8,934	6,126	1,140	7,266	747	921	124	927	1,758	711	257	1,666	3,872	4,005

[1] Before providing for depreciation and stock appreciation.
[2] These items are included solely as memorandum items.
[3] With the introduction of the imputation system of corporation tax from 6 April 1973 payments of dividends, previously shown gross of income tax appear as actual payments, while the advance corporation tax in respect of those dividends is included in UK taxes on income.
[4] The residual of all companies' payments and financial companies and institutions' accruals (payments from 1977) of taxes on income. The former include payments of corporation tax (including advance corporation tax from 6 April 1973) and petroleum revenue tax.
[5] Before providing for depreciation, stock appreciation and additions to reserves.
[6] Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



Capital account and financial surplus/deficit of industrial and commercial companies

£ million, seasonally adjusted

		Receipts						Expenditure				
		Undistributed income	Stock appreciation	Undistributed income *less* stock appreciation	Capital transfers: Investment grants	Capital transfers: Other	Total receipts	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Total expenditure	Balance: Financial surplus/deficit
1975		9,680†	4,283†	5,397†	96†	346†	5,839†	6,910†	−1,680†	38†	5,268†	571†
1976		13,690	5,266	8,424	60	340	8,824	8,107	417	43	8,567	257
1977		14,999	3,833	11,166	36	275	11,477	9,690	1,668	60	11,418	59
1978		16,815	3,374	13,441	33	405	13,879	11,872	790	68	12,730	1,149
1979		19,400	6,997	12,403	21	385	12,809	13,713	2,284	86	16,083	−3,274
1980		14,168	5,049	9,119	37	459	9,615	15,640	−3,196	113	12,557	−2,942
1977	*3*	3,833†	946†	2,887†	6†	52†	2,945†	2,391	− 17†	7†	2,381†	564
	4	3,632	606	3,026	10	58	3,094	2,648	415	7	3,070	24
1978	*1*	3,923	561	3,362	9	137	3,508	2,897	341	41	3,279	229
	2	4,437	1,003	3,434	9	80	3,523	3,019	48	9	3,076	447
	3	4,317	817	3,500	8	88	3,596	2,946	169	6	3,121	475
	4	4,138	993	3,145	7	100	3,252	3,010	232	12	3,254	− 2
1979	*1*	3,975	1,343	2,632	7	94	2,733	3,191	1,122	48	4,361	−1,628
	2	5,153	1,734	3,419	7	109	3,535	3,271	61	10	3,342	193
	3	5,301	1,957	3,344	3	104	3,451	3,507	662	10	4,179	− 728
	4	4,971	1,963	3,008	4	78	3,090	3,744	439	18	4,201	−1,111
1980	*1*	4,933	2,031	2,902	6	86	2,994	3,772	− 52	60	3,780	− 786
	2	3,717	1,336	2,381	10	86	2,477	3,893	− 259	17	3,651	−1,174
	3	2,717	961	1,756	12	135	1,903	3,930	−1,075	20	2,875	− 972
	4	2,801	721	2,080	9	152	2,241	4,045	−1,810	16	2,251	− 10
1981	*1*	3,892	1,010	2,882	9	151	3,042	3,732	−1,361	58	2,429	613
	2	3,872	1,140	2,732	11	175	2,918	3,825	−1,389	20	2,456	462

Financial transactions including net borrowing requirement of industrial and commercial companies

£ million, seasonally adjusted

		Financing of net borrowing requirement[1,2]				Transactions leading to net borrowing requirement					
		Net borrowing requirement	Borrowing from: Banks	Borrowing from: Other	Acquisition (+) of liquid and certain other financial assets	Financial surplus/deficit[3] (deficit: +)	Net unremitted profits[4]	Net identified trade and other credit received[5]	Investment in UK securities[6]	Investment abroad	Unidentified transactions
1975		1,052†	− 479†	−2,729	2,156†	− 571	623	− 270†	367	281	622†
1976		2,555	−2,397	−2,496†	2,338	− 257	1,127	405	857	665	− 242
1977		1,184	−2,967	−1,972	3,755	− 59	− 65	47	687	812	− 238
1978		1,879	−2,890	−1,845	2,856	−1,149	38	− 50	765	1,998	277
1979		6,283	−4,903	−1,956	576	3,274	−1,006	−2,008	1,054	3,311	1,658
1980		5,221	−6,642	−3,026	4,447	2,942	−1,613	750	903	2,046†	193
1977	*3*	− 67	− 824†	− 389†	1,280†	− 564	− 60†	− 134†	195	89	407†
	4	65	− 927	− 310	1,172	− 24	9	483	197	57	− 657
1978	*1*	469	− 264	−1,052	847	− 229	− 40	− 452	179	283	728
	2	484	−1,048	− 82	646	− 447	− 2	327	155	166	285
	3	563	− 671	− 300	408	− 475	28	− 80	225	512	353
	4	363	− 907	− 411	955	2	52	155	206	1,037	−1,089
1979	*1*	2,110	−1,781	− 324	− 5	1,628	26	− 726	205	871	106
	2	1,039	−1,210	− 895	1,066	− 193	− 412	− 216	235	598	1,027
	3	697	− 869	− 188	360	728	− 428	−1,044	261	1,060	120
	4	2,437	−1,043	− 549	− 845	1,111	− 192	− 22	353	782	405
1980	*1*	3,144	−1,917	−1,166	− 61	786	− 549	501	169	768	1,469
	2	1,449	−2,213	− 266	1,030	1,174	− 407	154	174	857	− 503
	3	366	−2,105	− 70	1,809	972	− 319	6	423	38	− 754
	4	262	− 407	−1,524	1,669	10	− 338	89	137	383	− 19
1981	*1*	316	1,408	−2,612	888	− 613†	− 244	37	217	936	− 17
	2	−2,172	−1,525	1,325	2,372	− 462	− 133	−2,157	135	1,046	− 601

[1] Increase in assets or reduction in liabilities are shown positive; decrease in assets or increase in liabilities negative. The seasonal factors for the financial transactions are those used by the Bank of England in their flow of funds accounts.

[2] The seasonal factors applied to the series for borrowing and acquisition of financial assets do not always sum to zero over a calendar year because day-of-week adjustments have been applied. The sum of quarterly and half-yearly figures may therefore differ from the annual totals shown.

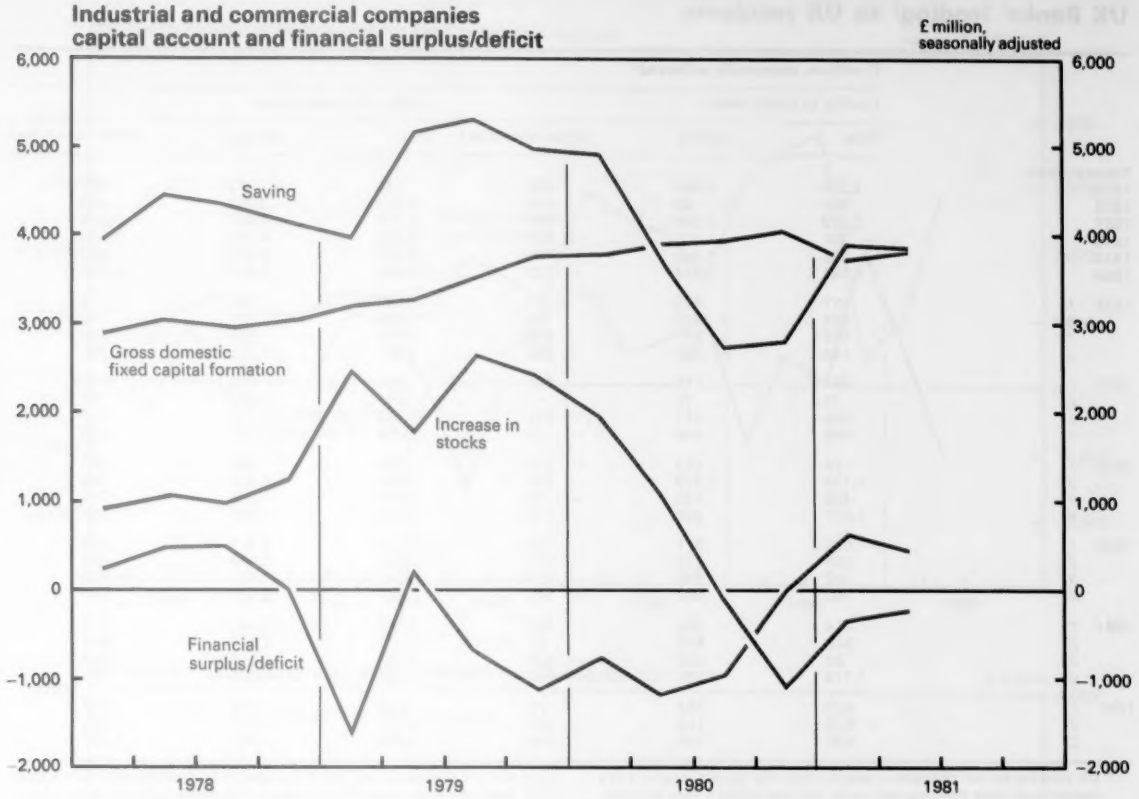
[3] Following the sign convention adopted for the net borrowing requirement a surplus on the financial surplus/deficit is shown with a negative sign – the reverse of the sign convention used in the table above.

[4] Retained abroad or in the United Kingdom.

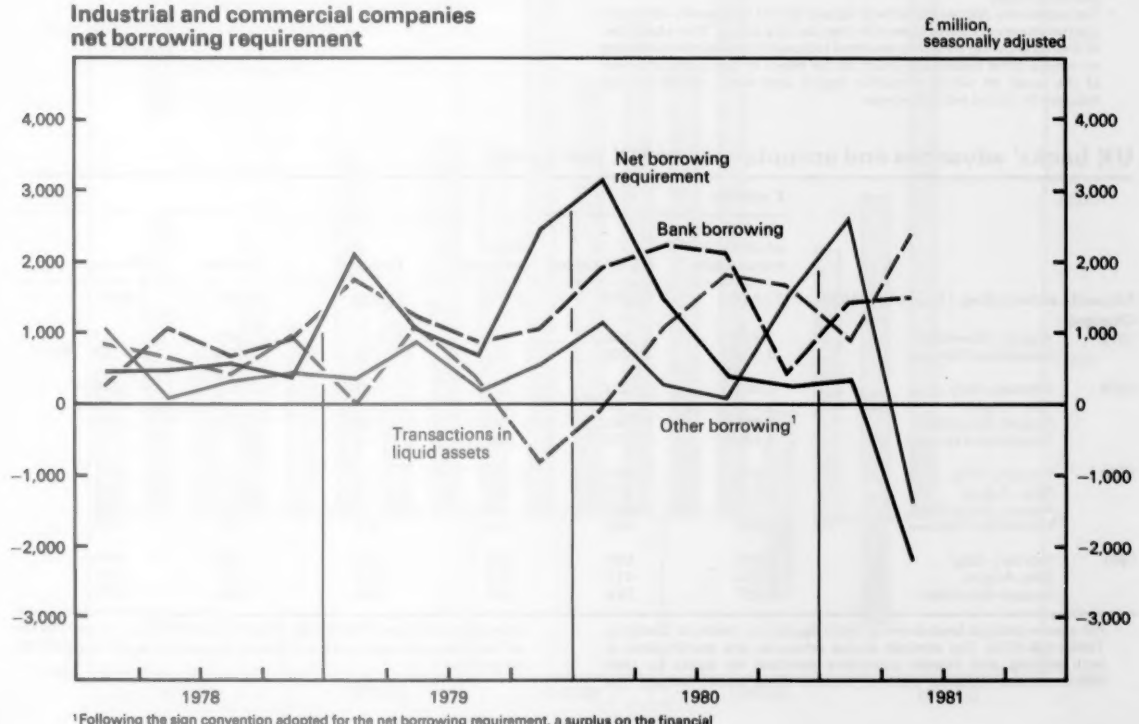
[5] Including accruals adjustment (−).

[6] Cash expenditure on acquiring subsidiaries and on trade investment in the UK.

Industrial and commercial companies capital account and financial surplus/deficit



Industrial and commercial companies net borrowing requirement



[1] Following the sign convention adopted for the net borrowing requirement, a surplus on the financial surplus/deficit is shown with a negative sign — a reverse of the sign convention used in the table.

UK Banks' lending[1] to UK residents

	£ million, seasonally adjusted[2]					
	Lending to public sector			Lending to private sector		
	Total	Sterling	Other currencies[3]	Total	Sterling	Other currencies[3]
Transactions						
1975	3,373	3,090	283	130	− 367	497
1976	345	− 89	434	3,330	3,081	249
1977	2,378	1,696	682	4,707	3,492	1,215
1978	− 291	123	− 414	5,791	4,710	1,081
1979	955	1,540	− 585	9,481	8,573	908
1980	1,652	2,374	− 722	10,884	9,622	1,262
1976 *1*	417	400	17	229	248	− 19
2	− 466	− 520	54	533	679	− 146
3	815	657	158	1,016	852	164
4	− 184	− 389	205	1,551	1,301	250
1977 *1*	644	141	503	924	356	568
2	− 75	− 75	—	946	889	57
3	996	747	249	1,232	1,127	105
4	828	898	− 70	1,606	1,121	485
1978 *1*	24	253	− 229	782	595	187
2	−1,739	−1,499	− 240	1,844	1,502	342
3	426	486	− 60	1,460	1,076	384
4	1,011	896	115	1,705	1,537	168
1979 *1*	−1,023	− 871	− 152	2,579	2,327	252
2	265	416	− 151	2,582	2,249	333
3	702	853	− 151	2,099	1,979	120
4	753	884	− 131	2,221	2,018	203
1980 *1*	− 414	− 232	− 182	2,717	2,391	326
2	546	524	22	3,500	2,667	833
3	− 82	322	− 404	3,468	3,225	243
4	1,719	1,877	− 158	1,199	1,339	− 140
1981 *1*	560	484	76	179	− 318	497
2	− 879	− 118	− 761	3,169	3,511	− 342
3	496	700	− 204	3,958	2,751	1,207

[1] UK banking sector: changes in assets. From the second quarter 1975 transactions have been entered as far as possible on a cash receipts/payments basis.

[2] The seasonally adjusted quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because, as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

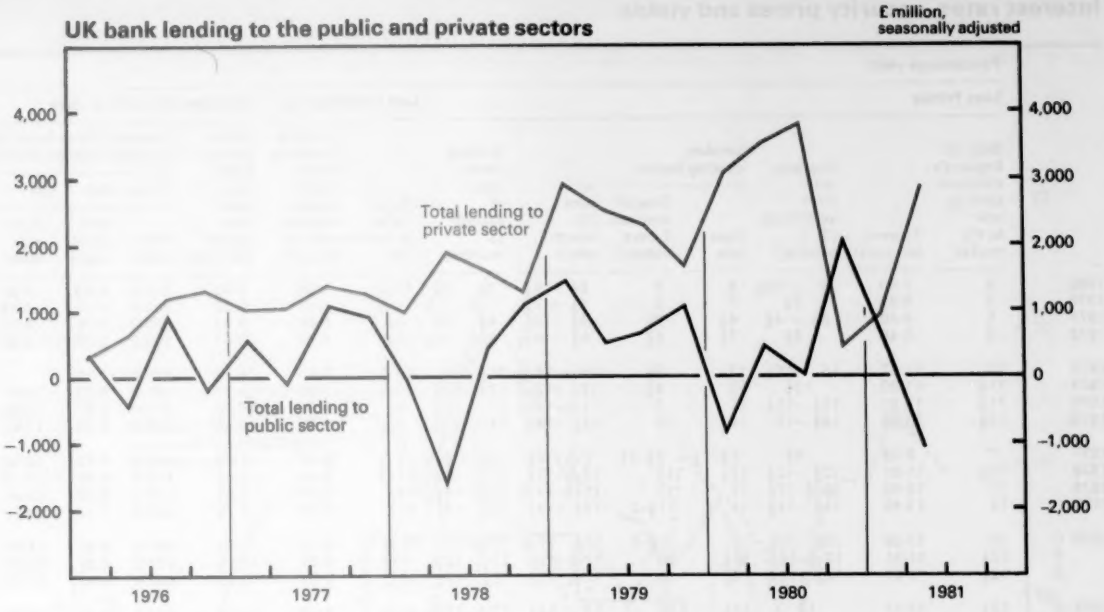
[3] For the second quarter 1975 changes in foreign currency assets have been adjusted to exclude the effect of movements in exchange rates.

UK banks' advances and acceptances to UK residents[1]

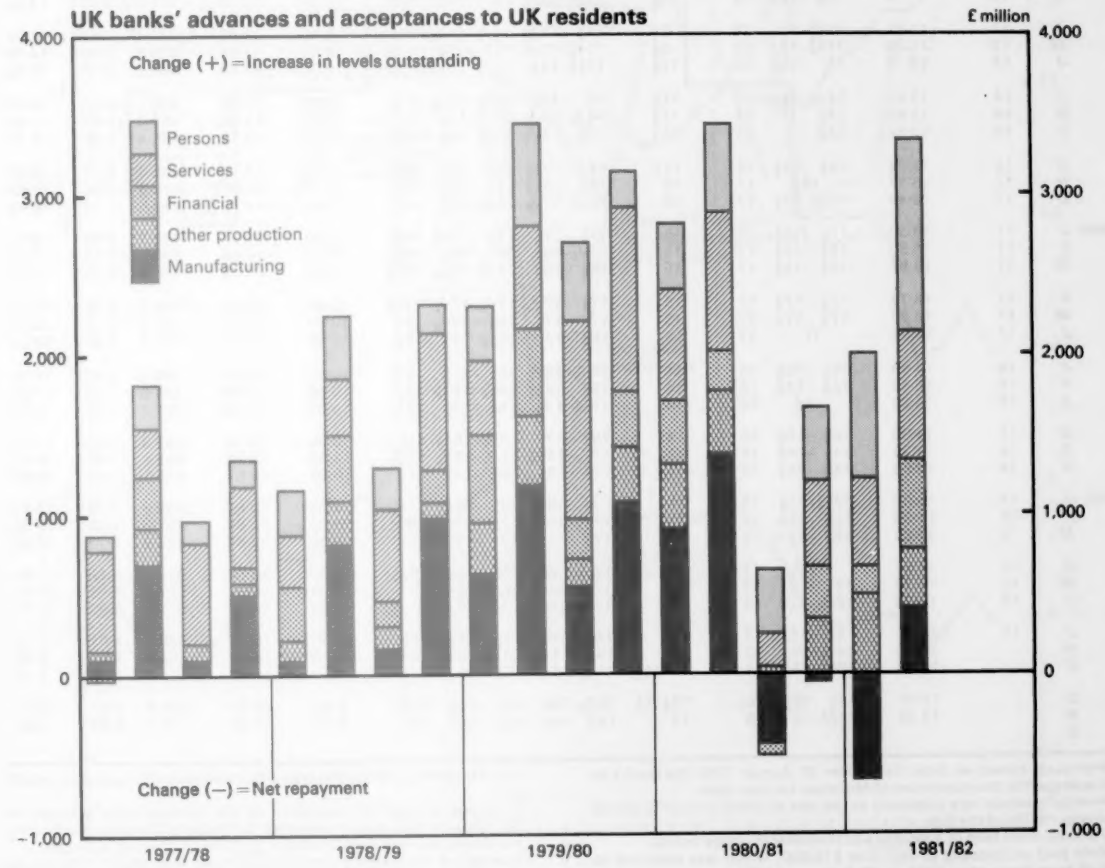
		£ million					
		Total advances and acceptances	Manufacturing	Other production	Financial	Services	Persons
Amounts outstanding (November 1981):		77,446	18,897	8,523	12,656	24,499	12,871
Changes							
1978	August–November	1,299	166	145	155	569	264
	November–February	2,304	968	102	199	856	180
1979	February–May	2,305	633	332	531	472	338
	May–August	3,451	1,184	432	551	628	656
	August–November	2,681	541	181	248	1,228	483
	November–February	3,151	1,075	348	333	1,173	221
1980	February–May	2,818	912	411	382	699	415
	May–August	3,449	1,374	411	245	867	551
	August–November	153	−429	44	− 74	223	389
	November–February	1,628	352	−35	321	535	455
1981	February–May	1,399	−658	494	175	546	842
	May–August	3,344	417	363	565	790	1,209
	August–November	5,081	528	291	936	2,046	1,279

[1] For a more detailed breakdown of these figures see *Financial Statistics* Tables 6.8–6.10. The analysis covers advances and acceptances in both sterling and foreign currencies provided by banks to their customers and therefore does not include funds placed through the specialised financial markets, such as the local authority money market or the finance company deposit market. Acceptances are not granted to persons.

UK bank lending to the public and private sectors



UK banks' advances and acceptances to UK residents

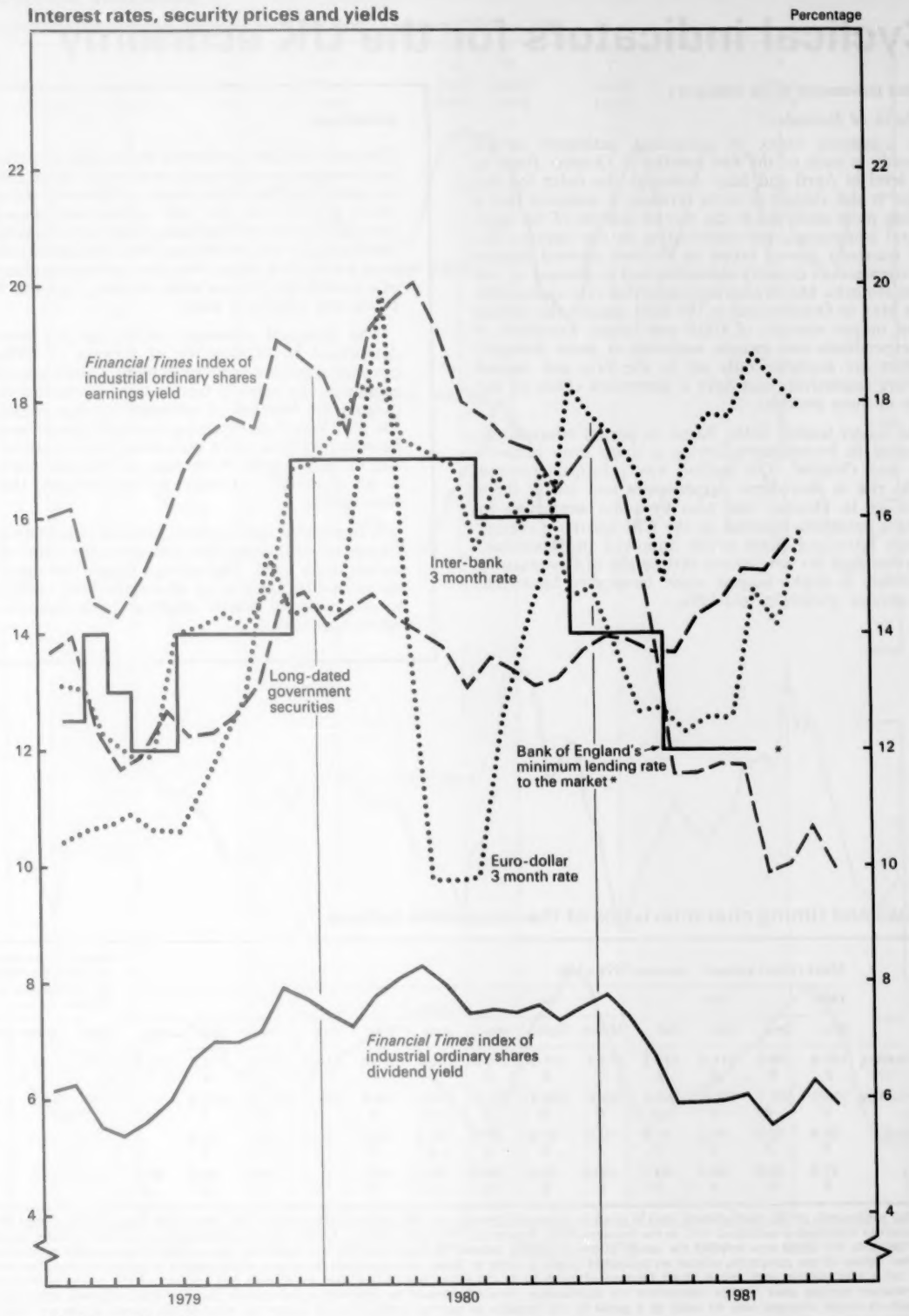


Interest rates, security prices and yields

	Percentage rate											
	Last Friday							Last working day		Average of working days		
	Bank of England's minimum lending rate to the market[1]	Treasury bill yield[2]	Deposits with local authorities (3 months)[3]	London clearing banks: Base rate	London clearing banks: Deposit account: 7 days' notice[4]	London clearing banks: Inter-bank (3-month rate)[5]	Sterling certificates of deposit (3 months)	Euro-dollar 3-month rate	Building Societies Association recommended rate on shares[6]	British government securities: long dated[8] (20 years)	*Financial Times* index of industrial ordinary shares, 1 July 1935 = 100: Price index	Dividend yield	Earnings yield[7]
1969	8	7·80	9 – 9 1/16	8	6	9 3/8 – 9 1/2	9 1/16 – 9 1/8	10 1/16 †	5·00	9·05	419·8	4·43	5·82
1970	7	6·93	7 1/2	7	5	7 1/4 – 7 3/8	7 3/16 – 7 5/16	6 5/16	5·00	9·25	361·0	4·75	6·54
1971	5	4·46	4 1/2 – 4 5/8	4 1/2	2 1/2	4 3/8 – 4 1/2	4 3/8 – 4 1/2	5 1/2	5·00	8·90	386·2	4·76	6·21
1972	9	8·48	8 1/2	7 1/2	5 1/2	8 1/2 – 9 1/16	8 11/16 – 9 1/16	5 13/16	5·25	8·97	503·8	3·26	4·98
1973	13	12·82	16 –16 1/8	13	9 1/2	16 1/16–16 3/16	15 3/8 –16	10 7/16	7·50	10·78	435·6	4·12	..
1974	11 1/2	11·30	13 1/2	12	9 1/2	12 1/2 –12 11/16	12 3/8 –12 1/2	10 1/16	7·50	14·77	251·2	8·23	21·47
1975	11 1/2	10·93	11 1/2 –11 5/8	11	7	11 1/16–11 1/16	11 –11 1/8	5 7/8	7·00	14·39	311·0	6·81	19·49
1976	14 1/2	13·98	14 1/2 –15	14	11	14 1/8 –14 3/8	14 1/16–14 3/8	5 1/16	7·80	14·43	268·0	5·96	17·61
1977	7	6·39	6 1/2	6 1/2–7 1/2	3 1/2–4 1/2	6 3/16– 6 1/2	6 3/8 – 6 7/16	7 3/16	6·00	12·73	452·3	5·42	16·50
1978	12 1/2	11·91	12 3/8 –12 1/2	12 1/2	10	12 1/16–12 3/16	12 3/8 –12 1/2	11 1/16	8·00	12·47	479·4	5·65	16·47
1979	17	16·49	16 1/16–17 1/8	17	15	16 1/16–17 1/16	16 1/16–16 1/2	14 1/2	10·50	12·99	475·5	6·49	16·61
1980	14	13·45	14 3/8 –14 5/8	14	11 1/2–2	14 3/8 –14 1/2	14 3/8 –14 1/2	17 1/2	10·50	13·79	464·5	7·62	18·14
1978 O	10	10·56	10 3/8 –10 7/8	10	6 1/2–7	10 3/8 –11 1/16	10 1/16–11	11 13/16	6·70	12·91	497·5	5·42	15·09
N	12 1/2	11·91	12 1/16–12 1/2	12 1/2	10	12 1/16–12 1/2	12 1/16–12 3/16	11 11/16	6·70	13·16	476·9	5·86	15·86
D	12 1/2	11·91	12 3/8 –12 1/2	12 1/2	10	12 1/16–12 3/8	12 3/8 –12 1/2	11 1/16	8·00	13·22	482·4	5·98	15·73
1979 J	12 1/2	12·46	13	12 1/2	10	13 –13 1/8	12 15/16–12 1/16	10 7/16	8·00	13·68	474·1	6·10	16·01
F	14	12·61	13 1/2 –13 3/8	13 1/2	11	12 7/8 –13 1/16	12 1/16–13	10 3/8	8·00	13·94	460·2	6·18	16·16
M	13	11·78	12 3/8 –12 1/2	13	10 1/2	12 1/16–12 3/16	12 –12 1/8	10 5/16	8·00	12·35	511·5	5·53	14·54
A	12	11·61	11 11/16–12	12	9 1/2	11 3/16 –11 5/16	11 15/16–11 1/16	10 7/16	8·00	11·68	537·4	5·37	14·31
M	12	11·79	11 11/16–12	12	9 1/2	11 1/16–11 3/16	11 1/16 –11 1/8	10 5/16	8·00	11·94	528·5	5·56	14·90
J	14	13·79	14 –14 1/2	14	11 1/2	13 11/16–14 1/8	13 1/16–13 11/16	10 15/16	8·00	12·69	489·5	5·93	15·82
J	14	13·81	14 1/16–14 1/8	14	11 1/2	14 –14 1/8	13 11/16–14 1/16	11 1/16	8·00	12·25	468·3	6·62	16·92
A	14	13·80	14 1/2	14	11 1/2	14 3/16–14 5/16	14 1/16–14 1/8	12 7/16	8·75	12·30	467·2	6·95	17·46
S	14	13·82	14 1/2	14	11 1/2	14 1/8 –14 5/16	13 11/16–14 1/8	12 1/2	8·75	12·60	468·4	6·95	17·75
O	14	13·94	14 1/2 –14 3/4	14	11 1/2	14 5/16–14 7/16	14 1/16 –14 1/8	15 11/16	8·75	13·16	465·4	7·13	17·55
N	17	16·77	16 7/8	17	15	16 3/16 –16 5/16	16 1/16 –16 1/8	14 7/16	8·75	14·54	415·9	7·88	19·07
D	17	16·49	16 11/16–17 1/8	17	15	16 11/16–17 1/16	16 1/16–16 3/16	14 1/2	10·50	14·72	419·8	7·70	18·78
1980 J	17	16·39	17 1/8 –17 3/8	17	15	17 1/8 –17 1/4	17 1/16 –17 3/16	14 13/16	10·50	14·17	440·7	7·43	18·42
F	17	16·80	18 1/8 –18 3/8	17	15	18 1/16–18 1/4	18 –18 1/8	16 5/16	10·50	14·45	460·7	7·17	17·64
M	17	16·97	18 3/8 –18 5/8	17	15	18 1/8 –18 3/8	17 11/16–18 1/16	19 1/16	10·50	14·70	440·8	7·75	19·26
A	17	16·73	17 1/8 –17 3/8	17	15	17 1/8 –17 7/16	17 1/16–17 1/16	13 13/16	10·50	14·27	435·5	8·04	19·73
M	17	16·73	17 1/8 –17 1/4	17	15	17 –17 1/8	16 1/8 –17 1/16	9 3/8	10·50	14·01	432·4	8·21	20·05
J	17	16·32	17	17	15	16 3/4 –17	16 1/16–16 3/16	9 3/8	10·50	13·78	451·2	7·96	19·20
J	16	14·98	15 1/4 –15 3/8	16	14	15 3/16–15 5/16	15 1/16 –15 1/8	9 1/16	10·50	13·07	488·5	7·42	17·96
A	16	15·53	16 1/8 –16 1/4	16	14	16 1/8 –16 1/16	16 1/16–16 1/16	12 1/4	10·50	13·58	484·9	7·48	17·68
S	16	14·86	15 3/4	16	14	15 11/16–17 1/8	15 1/8 –15 1/4	13 1/16	10·50	13·38	491·7	7·45	17·28
O	16	14·90	16 1/8 –16 1/4	16	14	16 1/4 –17	16 3/16–16 1/16	15 1/2	10·50	13·12	483·8	7·59	17·14
N	14	13·38	14 1/4 –14 3/8	14	11 1/2–12	14 7/16–14 11/16	14 1/16–14 7/16	18 3/16	10·50	13·22	493·4	7·35	16·43
D	14	13·58	14 3/8 –14 1/2	14	11 1/2–12	14 1/4 –14 3/8	14 1/4 –14 3/8	17 1/4	10·50	13·67	470·1	7·56	16·93
1981 J	14	13·02	13 13/16–13 7/8	14	11 1/2	13 3/4 –13 11/16	13 1/4 –13 3/8	17 7/16	9·25	13·96	459·6	7·78	17·44
F	14	11·93	12 3/4 –12 7/8	14	11 1/2	12 7/16–12 11/16	12 1/4 –12 3/8	16 11/16	9·25	13·89	487·0	7·35	16·38
M	12	11·87	12 1/4 –12 1/16	12	9	12 3/8 –12 1/4	12 1/4 –12 3/8	14 3/8	9·25	13·68	497·8	6·78	14·39
A	12	11·57	12 1/16	12	9	12 1/16–12 3/8	12 1/8 –12 1/16	16 3/16	8·50	13·64	559·2	5·88	11·57
M	12	11·70	12 1/4 –12 3/8	12	9	12 1/16–12 3/16	12 1/4 –12 3/8	17 3/8	8·50	14·31	557·8	5·91	11·59
J	12	12·33	12 7/16–12 3/8	12	9	12 7/16–12 3/8	12 3/8 –12 1/4	17 1/16	8·50	14·57	545·0	5·92	11·73
J	12	14·25	14 3/8 –14 1/2	12	9	14 3/8 –14 1/2	14 1/4 –14 5/16	18 3/8	8·50	15·14	528·2	6·01	11·70
A	..	13·70	14 1/16–14 1/4	12	9	14 –14 3/16	13 1/2–13 11/16	18 1/16	8·50	15·09	554·4	5·51	9·83
S	..	14·98	15 1/2 –15 5/8	14	11–11 1/2	15 1/16–16 1/8	15 1/8 –15 1/16	17 1/8	8·50	15·59	525·0	5·76	9·99
O	..	16·61	16 1/4 –16 3/8	15 1/2	13 1/2–14	16 3/16–16 3/8	16 1/4 –16 3/8	15 31/32	8·50	15·95	474·4	6·27	10·64
N		14·30	14 13/16–15 1/16	15	13	14 3/8 –15 1/8	14 1/2 –14 5/8	12	9·75	15·44	511·1	5·86	9·92
D													

[1] Previously known as Bank Rate. From 20 August 1981 the Bank has suspended the announcement of Minimum Lending Rate.
[2] Average discount rate expressed as the rate at which interest is earned during the life of the bills.
[3] For a minimum term of 3 months and thereafter at 7 days' notice.
[4] Rate paid on deposits of less than £10,000, which was restricted to 9½% from September 1973 to 28 February 1975.
[5] Spread of rates over the day in the inter-bank sterling market.
[6] Net of income tax where this is paid by societies at the agreed composite rate.
[7] A change in basis of calculation of the Earnings yield occurred on 26 February 1973 and is explained in *Financial Statistics Explanatory handbook*. No meaningful average for 1973 is therefore available.
[8] Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week). Calculated gross redemption yields – see *Financial Statistics Explanatory handbook*.

Interest rates, security prices and yields



*See footnote [1] on page 66

Cyclical indicators for the UK economy

Recent movements of the indicators

(*Data to 14 December*)

The composite index of coincident indicators moved upwards in each of the five months to October from its low level in April and May. Although the index for this period is still subject to some revision, it indicates that a turning point occurred in the second quarter of the year. Several components are contributing to the upturn. The CBI quarterly survey taken in October showed further improvements in capacity utilisation and in changes in raw material stocks. Manufacturing production rose appreciably from May to October and in the third quarter the decline in the output measure of GDP was halted. Estimates of the expenditure and income measures of gross domestic product are available only up to the first and second quarters respectively and have a downward effect on the index in these periods.

The longer leading index, based on partial information, increased in November following a sharp drop between May and October. The decline was principally caused by the rise in short-term interest rates and fall in share prices up to October and also by some weakening in business optimism reported in the CBI quarterly survey. Interest rates and share prices improved in November. If further data do not remove this period of downturn in the index, it might suggest some temporary hesitation in economic growth in mid-1982.

Definitions[1]

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-term trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is an economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the values of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of similar amplitude, and inversion where appropriate.

Values and timing characteristics of the composite indices

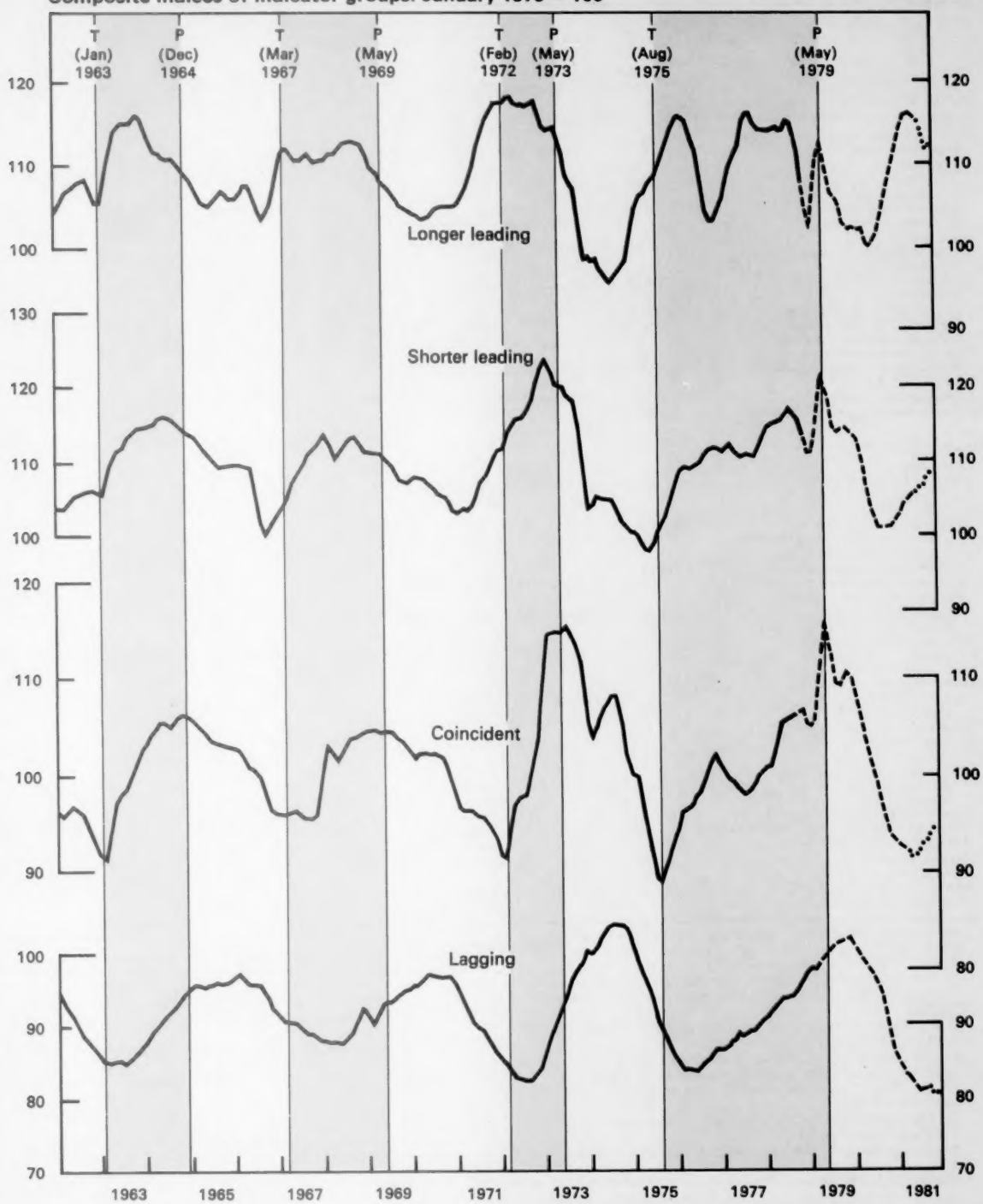
	Most recent values[2] January 1975 =100													Lead (−) or lag (+) in months relative to reference cycle dates		
	1980		1981													
	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Mean	Earliest	Latest
Longer leading	107·6	109·6	111·5	113·7	115·1	116·0	116·2	115·9	115·5	114·9	113·3	111·8	112·5	−13	−21	− 7
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*4*	*2*			
Shorter leading	100·8	101·1	101·8	102·6	103·8	104·3	105·0	105·2	105·8	106·2	107·3	107·9		− 5	−12	—
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*4*	*4*	*4*				
Coincident ..	93·9	93·5	93·0	92·8	92·6	91·8	91·8	92·2	93·0	93·4	94·0	94·6		+ 1	− 1	+ 5
	7	*7*	*7*	*7*	*7*	*6*	*6*	*6*	*5*	*5*	*5*	*4*				
Lagging ..	87·3	85·8	84·9	83·7	83·4	82·6	81·9	81·4	81·5	81·7	81·5	80·9	80·9	+10	+ 6	+17
	5	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*5*	*4*	*2*	*2*			

[1] A full explanation of the methodology used is given in *Economic Trends*. No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February, May, August and November issues, a further eight pages showing individual indicator series.

[2] In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revision each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in their calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO. 01-233 7661.

Cyclical indicators

Composite indices of indicator groups. January 1975 = 100



Measures of variability of selected economic series[1]

	Page	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I/C}$	MCD or QCD	$\overline{I/C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1975 prices								
GDP, factor cost								
Expenditure based	6	1st quarter 1968 to 2nd quarter 1980	1·5	1·0	0·8	1·3	2	0·6
Income based	6	" " " " " " "	1·2	0·8	0·8	1·0	2	0·4
Output based	6,28	" " " " " " "	1·0	0·6	0·7	0·9	1	0·9
Average estimate	6	" " " " " " "	1·0	0·7	0·7	1·0	2	0·4
Consumers' expenditure	8,10	" " " " " " "	1·3	0·9	0·8	1·1	2	0·5
Fixed capital formation								
Total	8,16	" " " " " " "	2·0	1·5	1·0	1·5	2	0·7
Manufacturing industry	18	" " " " " " "	3·5	2·4	2·1	1·1	2	0·4
Stockbuilding[2]								
Total	8,22	" " " " " " "	*213·5*	*152·0*	*125·0*	1·2	2	0·6
Manufacturing	22	" " " " " " "	*151·4*	*103·2*	*84·8*	1·2	2	0·5
Exports: goods and services	8	" " " " " " "	3·3	2·7	1·8	1·5	2	0·6
Imports: goods and services	8	" " " " " " "	2·8	2·1	1·7	1·3	2	0·5
Personal disposable income	10	" " " " " " "	1·7	1·0	1·3	0·8	1	0·8
Other national income series								
Gross trading profits of companies	60	" " " " " " "	5·2	2·8	4·0	0·7	1	0·7
Other quarterly series								
Construction output	30	1st quarter 1955 to 2nd quarter 1980	2·2	1·2	1·5	0·8	1	0·8
Public sector borrowing requirement[3]	56	" " 1971 " " " "	*542·4*	*397·1*	*224·2*	1·8	2	0·7
Monthly series								
Retail sales								
Total: current prices	12	January 1971 to December 1980	1·8	1·3	1·1	1·3	2	0·6
Total: constant prices	5,12	" " " " "	1·4	1·4	0·4	4·0	5	0·9
Food retailers	12	" " " " "	0·6	0·6	0·3	2·1	3	0·8
Mixed retail businesses	12	" " " " "	1·4	1·2	0·5	2·5	3	0·9
Clothing and footwear retailers	12	" " " " "	2·1	2·0	0·4	4·8	6	0·8
Household goods retailers	12	" " " " "	1·9	1·6	0·9	1·8	3	0·7
Other non-food retailers	12	" " " " "	1·2	1·0	0·4	2·3	3	0·8
Cars: new registrations	12	October 1974 to December 1980	10·8	10·8	1·1	9·9	6	
Housing: public authorities[4]								
Starts	20	January 1956 to December 1980	12·2	12·0	1·9	6·3	6	
Completions	20	" " " " "	7·9	7·8	1·2	6·5	6	1·0
Housing: private								
Starts	20	" " " " "	8·8	8·6	2·5	3·4	4	0·9
Completions	20	" " " " "	6·2	6·1	1·0	6·1	6	1·0
Index of industrial production:								
All industries	5,26,28	January 1973 to June 1981	1·1	1·0	0·5	1·8	3	0·8
Manufacturing industries	26	" " " " "	1·5	1·3	0·6	2·3	3	0·9
Passenger car production:								
Home market	32	January 1968 to December 1980	12·8	12·6	1·9	6·6	6	
Export	32	" " " " "	12·1	11·9	1·3	9·2	6	
Commercial vehicle production:								
Home market	32	" " " " "	9·8	9·4	1·7	5·5	6	
Export	32	" " " " "	11·1	10·8	2·0	5·5	6	
Unemployed excluding school-leavers[5]	5,36	January 1970 to December 1980	*20·8*	*5·8*	*19·6*	0·3	1	0·3
Vacancies notified to employment offices[5]	5,36	January 1970 to December 1980	*7·2*	*2·6*	*6·7*	0·4	1	0·4
Average earnings: whole economy	40	January 1976 to December 1980	1·1	0·2	1·1	0·2	1	0·2
Exports: value, f.o.b.[7]	48	January 1963 to February 1981	4·8	4·5	1·3	3·5	4	0·9
Imports: value, f.o.b.[7]	48	" " " " "	4·5	4·2	1·4	2·9	4	0·7
Money stock (sterling M_3)[3]	5,52	July 1971 to December 1977	1·3	0·6	1·2	0·5	1	0·5
Domestic credit expansion[3]	54	July 1971 to September 1977	94·1	73·3	17·9	4·1	5	1·0

[1] For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No. 226, August 1972. The following are brief definitions of the measures.

$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.

$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.

$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes [2], [3], [5] and [6].

$\overline{I/C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.

The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I/C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

[2] The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present seasonal adjustment of the published stocks series is done multiplicatively on the level of stocks.

[3] Although the series is seasonally adjusted additively the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are presented as percentages of the level of the trend in the preceding quarter.

[4] Series relate to Great Britain, though variability measures calculated from England and Wales component.

[5] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

[6] The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

[7] The figures have been updated as described in an article in *Economic Trends*, No. 320, June 1980.

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United Kingdom balance of payments in the third quarter of 1981

Figures for visible trade in September, October and November were published on 23 December. Because of the Civil Service dispute, which ended in August, import figures for earlier months are so far available only for January, February, March and April and export figures for January and February.

It is not yet possible therefore to prepare full balance of payments accounts for the first three quarters of 1981, including the balance on visible trade and the current balance, as well as the balance on invisibles and capital transactions. From the information that is so far available, it seems likely that in broad terms the current balance in the first quarter of 1981 was about £3 billion.

Summary

There was a surplus of £0·3 billion on *invisibles* (seasonally adjusted) in the third quarter, compared with £0·7 billion in the second quarter. The surplus on private sector services and interest, profits and dividends amounted to £1·4 billion – a fall of £0·4 billion on the second quarter, mainly attributable to IPD and higher overseas travel expenditure by UK visitors.

There was an identified net outflow on *investment and other capital transactions* of £0·7 billion in the third quarter, compared with a net outflow of £1·9 billion in the second quarter, this latter figure including an outflow of £0·6 billion in respect of private UK residents' transactions with banks, etc. overseas – an item for which no third quarter figure is yet available.

One of the main reasons for the reduced scale of net outflows in the third quarter was the turnround in foreign currency borrowing and lending by UK banks from a large net outflow in the previous quarter to a small net inflow. Sterling lending by UK banks was more than offset by increased sterling deposits with UK banks by private overseas residents.

UK portfolio investment abroad is provisionally estimated at £0·6 billion, – little more than half the second quarter outflow and considerably below the very high levels of late 1980 and early 1981. UK direct investment abroad remained high at £1·0 billion. Overseas investment in the United Kingdom fell back in the third quarter to £0·9 billion; the pattern of investment over the past year has been distorted by erratic movements of direct investment.

DETAIL

The exchange rate

The sterling exchange rate continued to weaken during the third quarter. The effective exchange rate averaged 90·6 compared with 97·8 in the second quarter, and 101·4 in the first quarter. Sterling fell against a strengthening dollar, reaching a low of £1 = $1·77 midway through the third quarter. During the second half of the quarter, sterling regained part of its losses, fluctuating around $1·80 against the dollar and closing the quarter at $1·81. The pound eased against the strengthening Deutschemark to close at £1 = DM 4·20, compared with £1 = DM 4·61 at the beginning of the quarter.

Visible trade

The latest visible trade data were published in the press notice on 'The current account of the United Kingdom balance of payments' published by the Department of Trade and the Central Statistical Office on 23 December 1981. The press notice covers all the data currently available for 1981, i.e. for exports and imports the January, February, September, October and November figures and, in addition, for imports only, figures for March and April.

Summary balance of payments

TABLE A

£ million

	1979	1980	1980 1st qtr	1980 2nd qtr	1980 3rd qtr	1980 4th qtr	1981 1st qtr	1981 2nd qtr	1981 3rd qtr
			Seasonally adjusted						
Visible trade (balance)	−3,458	+1,178	− 385	− 322	+ 620	+1,265	..	..	..
Invisibles (balance):									
Services	+4,039	+4,178	+1,068	+1,034	+ 965	+1,111	+1,098	+1,003	+ 867
Interest, profits and dividends	+ 846	− 112	− 115	− 30	− 36	+ 69	+ 339	+ 414	+ 154
Transfers	−2,290	−2,122	− 505	− 661	− 625	− 331	− 114	− 758	− 718
Total	+2,595	+1,944	+ 448	+ 343	+ 304	+ 849	+1,323	+ 659	+ 303
Current balance	− 863	+3,122	+ 63	+ 21	+ 924	+2,114	..	..	..
			Not seasonally adjusted						
Current balance	− 863	+3,122	− 350	− 143	+1,224	+2,391	..	..	..
Investment and other capital transactions	+2,170	−1,375	− 420	+ 608	− 243	−1,320	−3,337	−1,936	− 731
Allocation of SDRs	+ 195	+ 180	+ 180	—	—	—	+ 158	—	—
Official financing:									
Official reserves (drawings on, +: additions to, −)	−1,059	− 291	− 457	− 140	+ 223	+ 83	− 319	+1,448	+1,167
Other official financing	− 846	−1,081	− 232	− 106	− 502	− 241	—	−1,283	− 458
Balancing item	+ 403	− 555	+1,279	− 219	− 702	− 913	..	..	..

.. indicates 'not available'.

Invisibles

The fall in the surplus on invisibles from £659 million in the second quarter to £303 million (seasonally adjusted) in the third quarter was attributable partly to higher debits on services but mainly to higher debits on IPD, credits increasing only slightly.

Services

The surplus on services, at £867 million, was £136 million down on the second quarter, itself down by an estimated £95 million on the first quarter. The increased credits were more than offset by higher debits, particularly on travel.

Exports of services in volume terms fell in the third quarter by about 1 per cent, continuing the downward trend which began at the beginning of 1980. Imports of services fell by 3 per cent in volume following the previous quarter's sharp increase.

Invisibles

TABLE B (See also Appendix Table 3)

	Seasonally adjusted			
	£ million			
			1981	
	1979	1980	2nd qtr	3rd qtr
Credits	23,694	25,532	6,730	6,947
Debits	21,099	23,588	6,071	6,644
Balance	+2,595	+1,944	+ 659	+ 303
of which:				
Private sector and public corporations: services and IPD	+6,260	+5,512	+1,811	+1,381
General government transactions and private transfers	−3,665	−3,568	−1,152	−1,078

Sea transport

Sea transport credits are estimated to have increased further in the third quarter, following the sharp recovery in the second quarter shown by the revised estimate now available. The recovery in the second and third quarters of this year from the dip in the previous half-year is accounted for by dry-cargo earnings. Tanker earnings have increased slightly in recent quarters but remain at a depressed level.

Sea transport debits are again not separately identified for this quarter. Because complete third quarter data for imports are not yet available (see paragraph on visible trade) one of the major components of the series (freight payments on UK dry-cargo imports) cannot yet be estimated in the usual way.

Civil aviation

Credits fell slightly in the third quarter. Debits continued to rise, as UK airlines' payments abroad and the revenue of overseas airlines both increased. These increases both reflect the weakening of sterling and the rise in the number of UK residents travelling abroad.

Travel

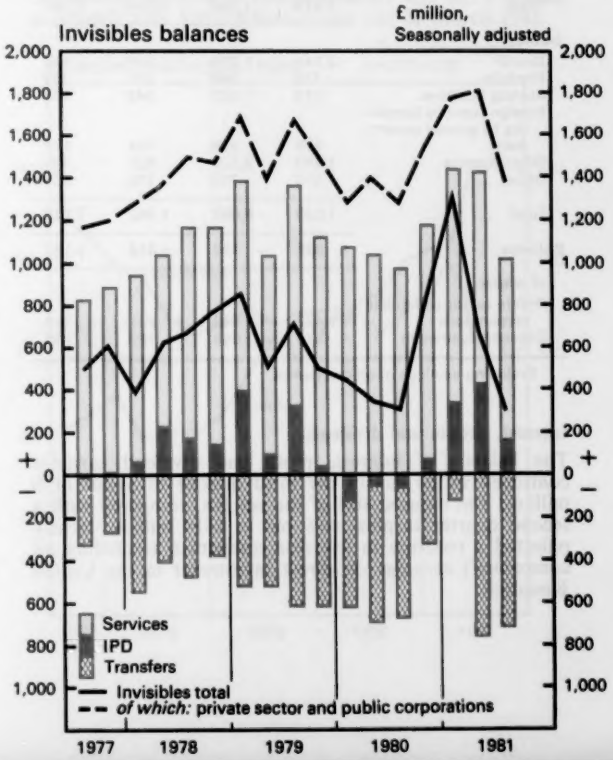
The deficit on the travel account continued to worsen in the third quarter as a result of a further sharp increase in debits.

Services

TABLE C (See also Appendix Table 4)

	Seasonally adjusted			
	£ million			
			1981	
	1979	1980	2nd qtr	3rd qtr
Credits				
Government	342	397	94	113
Sea transport	3,804	3,816	974	999
Civil aviation	1,755	2,210	581	575
Travel	2,797	2,965	739	731
Financial services	1,601	1,658	478	488
Other services	4,206	4,753	1,277	1,292
Total	14,505	15,799	4,143	4,198
Volume: total services credits (1975 = 100)	111·1	106·7	101·4	100·1
Debits				
Government	1,141	1,188	301	317
Sea transport	3,683	3,681	1,410	1,479
Civil aviation	1,467	1,815		
Travel	2,109	2,757	804	888
Other services	2,066	2,180	625	647
Total	10,466	11,621	3,140	3,331
Volume: total services debits (1975 = 100)	107·8	112·6	115·6	112·2
Balance	+4,039	+4,178	+1,003	+ 867
of which:				
Private sector and public corporations	+4,838	+4,969	+1,210	+1,071
General government	− 799	− 791	− 207	− 204

Travel earnings are estimated to have been at about the same level in the third quarter as in the first half of the year. Taken together with revised estimates for the first and second quarters, the latest figures indicate higher sterling earnings this year from fewer overseas visitors. Thus the number of overseas visitors in the third quarter is estimated



to have been about 12 per cent down on the corresponding quarter of last year but expenditure per head about 14 per cent higher in sterling terms, as a result of the fall in the exchange rate. There has been a small increase in the number of visitors from North America this year but a considerable fall in visitors from Europe, no doubt reflecting the contrasting movements of sterling against the dollar and European currencies.

Expenditure overseas by visitors from the United Kingdom showed a further large increase in the third quarter. Both the number of visitors abroad – up by 14 per cent on the corresponding quarter of last year – and their average expenditure in sterling terms increased.

Financial and other services

Earnings from financial services remained much at the same level reached in the previous quarter; earnings so far this year are estimated to have been about 15 per cent higher than in the corresponding period of 1980. Credits and debits on other services were also little changed in the third quarter.

Interest, profits and dividends

TABLE D (See also Appendix Table 5)

	Seasonally adjusted			
	£ million			
			1981	
	1979	1980	2nd qtr	3rd qtr
Credits				
Direct[1]	2,815	2,658	717	623
Portfolio	450	598	186	210
Export credit and £ lending by UK banks	741	970	291	357
Foreign currency borrowing and lending by UK banks (balance)	− 44	352	282	273
Other	3,917	3,404	780	819
Total	7,879	7,982	2,256	2,282
Debits				
Direct[1]	2,149	1,759	348	536
Portfolio	779	948	245	269
Sterling liabilities	915	1,522	448	472
Foreign currency borrowing by general government	576	518	164	126
Oil companies	1,940	2,628	421	495
Other	674	719	216	230
Total	7,033	8,094	1,842	2,128
Balance	+ 846	− 112	+414	+154
of which:				
Private sector and public corporations	+1,422	+ 543	+ 601	+ 310
General government	− 576	− 655	− 187	− 156

[1] Excluding earnings of oil companies.

Interest, profits and dividends

The balance of interest, profit and dividend earnings continued in surplus in the third quarter at about £150 million. The reduced size of the surplus, compared with a second quarter surplus, now put at £414 million, largely reflected a recovery in overseas companies' (including oil companies') earnings on direct investment in the United Kingdom.

Oil companies' earnings

UK oil companies' earnings overseas were little changed in the third quarter though there were indications of a stronger upstream performance and an improvement in the market for oil and oil products. Chemical operations remained depressed but losses were reduced. Overseas oil companies' earnings in the United Kingdom were stronger. Steady production and the rising dollar added to Continental Shelf profits, though these were restrained by the cut in North Sea crude oil prices during the summer. Improved trading conditions downstream together with lower North Sea prices, generated modest profits onshore compared with losses for a number of companies in the second quarter.

Other companies' direct investment earnings

UK non-oil company earnings from overseas fell back to much the same level as in the fourth quarter of 1980. With the weakening of sterling this implies an even more marked reduction in foreign currency terms reflecting the lack of growth in a number of countries. Earnings due abroad from foreign-owned companies in the United Kingdom showed a marked recovery in the third quarter.

Other IPD credits

The main cause of the increase between the second and third quarters was a strong rise in interest earned by UK banks on sterling lending abroad. The level of such lending has been increasing substantially over several quarters, and earnings were further boosted by a rise in interest rates during the third quarter. Portfolio investment earnings from overseas continued to rise reflecting increased investment and the lower exchange rate.

Other IPD debits

UK government interest payments on foreign currency borrowing were much reduced in the third quarter, following the repayments during 1981 of the $2·5 billion eurocurrency loan. In the private sector, interest due overseas rose, mainly because of higher payments by UK banks on overseas residents' sterling accounts. Both higher deposit levels and higher interest rates played a part in the latest increase.

Transfers

TABLE E (See also Appendix Table 6)

	Seasonally adjusted			
	£ million			
			1981	
	1979	1980	2nd qtr	3rd qtr
Credits				
Private	760	793	210	236
Government – EC:				
Agricultural Fund	371	550	74	171
Social Fund	87	95	10	5
Regional Development Fund	71	173	24	24
Budget refunds	—	98	—	28
Other	21	42	13	3
Total government	550	958	121	231
Debits				
Private	992	1,083	275	280
Government – EC:	1,626	1,783	524	654
–Bilateral aid	497	537	159	152
–Other	485	470	131	99
Balance	−2,290	−2,122	− 758	− 718

Transfers

General government credits almost doubled in the third quarter as receipts from the European Agricultural Guidance and Guarantee Fund, due in the second quarter but delayed by the Civil Service dispute, were received.

General government debits also increased, mainly because of an additional VAT own resources payment to the European Community budget, arising from the definitive calculation of the total due for 1980.

Investment and other capital transactions

Identified capital movements (excluding official financing) resulted in a net outflow of £0·7 billion in the third quarter. This is considerably less than the £1·9 billion outflow in the second quarter, a figure which now includes £0·6 billion outflow resulting from private UK residents' transactions with banks, etc. overseas – an item for which a third quarter figure is not yet available. The main contribution to the reduction came from external foreign currency borrowing and lending by UK banks, with a turnround from large net outflow in the second quarter to small inflow in the third.

Investment and other capital transactions
TABLE F (See also Appendix Tables 7 to 12)

	Not seasonally adjusted			
	£ million			
			1981	
	1979	1980	2nd qtr	3rd qtr
Overseas investment in:				
UK public sector	+ 902	+ 582	− 109	− 34
UK private sector	+3,405	+4,194	+1,258	+ 915[1]
UK private investment overseas	−6,555	−7,053	−2,397	−1,820[1]
Official long-term capital	− 401	− 91	− 109	− 2
Trade credit	− 777	−1,151	− 206	− 243
Foreign currency borrowing or lending abroad by UK banks	+1,623	+2,024	− 775	+ 126
Changes in external £ liabilities	+3,359	+3,821	+1,067	+1,113
External £ lending by UK banks[2]	+ 209	−2,466	− 428	− 802
Other external borrowing or lending	+ 473	−1,012	− 559	+ 14[1]
Other transactions	− 68	− 223	+ 322	+ 2
Total investment and other capital transactions	+2,170	−1,375	−1,936	− 731

[1] Highly provisional estimate[3] – see footnotes to Appendix Table 7.
[2] Excluding credit for UK exports.

Foreign currency borrowing and lending by UK banks produced a net inflow of £0·1 billion in the third quarter, following net outflows of £0·6 and £0·8 billion in the first and second quarters respectively. This turnround reflected renewed foreign currency borrowing, on a considerable scale, by the banks' private UK customers after net repayments in the second quarter.

Bank lending in sterling to overseas residents at £0·8 billion net, excluding export credit, was much the same as the average for the first half of the year, continuing the substantial outflows since the middle of 1980. The strong demand for sterling loans came both from banks and, more notably, from other private overseas residents, possibly suggesting an increasing use of sterling in international trade.

As in the second quarter, overseas *sterling lending* was more than offset by a large inflow of sterling in the form of non-residents' *deposits with UK banks* amounting to £1·0 billion. About £0·4 billion of this inflow came from banks abroad, somewhat less than in the second quarter, and £0·6 billion – an increased amount – from private overseas residents.

UK private investment overseas fell a little further from the high first quarter level, mainly because of a reduction in portfolio investment overseas. At £0·6 billion, portfolio investment in the third quarter is provisionally estimated at little more than half the second quarter outflow, possibly reflecting some reduction in the scale of institutional investment. There were signs of a loss of confidence in stock markets worldwide, especially during September. Direct investment overseas by non-oil companies was little changed in total, despite the acquisition by Grand Metropolitan of Intercontinental Hotels from Pan American World Airways in the third quarter. Oil companies' investment overseas was somewhat reduced as a result of a run-down in stocks.

Overseas investment in the United Kingdom fell in the third quarter, with the fall concentrated in the private sector. There have been large offsetting quarterly movements of direct investment funds by non-oil companies over the past year which have obscured any underlying trend. Investment by oil companies in the UK Continental Shelf recovered in the third quarter.

Little information on *private UK residents' transactions with banks etc. overseas* in the third quarter is available. In the second quarter there was a net outflow of £0·6 billion as a result of a net reduction in borrowing and an increase in overseas deposits mainly in foreign currencies.

Official financing

For the second quarter running there was a substantial fall in official reserves. The fall in the second quarter had been mainly associated with substantial repayments of official debt but in the third quarter such repayments accounted for less than half of the fall of £1·2 billion. At the end of September the level of official reserves was $23·7 billion, compared with $28·2 billion at the end of March 1981.

UK Continental Shelf oil and gas programme
TABLE G (See also Appendix Table 13)

	Not seasonally adjusted			
			1981	
	1979	1980	2nd qtr	3rd qtr
Volume of sales				
Gas (million terajoules)	1·5	1·4	0·3	0·2
Oil (million tonnes) ..	77·5	79·2	21·8	21·9
	£ million			
Value of sales				
Gas	538	620	153	111
Oil	5,689	8,851	3,041	3,082
Balance of payments entries				
Imports of goods ..	− 171	− 144	..	..
Imports *less* exports of services	− 436	− 469	− 136	− 122
IPD due abroad ..	−1,368	−2,178	− 457	− 521
Overseas investment in UKCS	+ 694	+ 771	+ 267	+ 648

See footnotes to Appendix Table 13.

UK Continental Shelf oil and gas programme

Oil production and the sterling value of sales rose slightly in the third quarter. The fall in the sterling/dollar exchange rate was more than sufficient to offset the effect on sales value of the $4·25 cut in North Sea oil prices in June. Company profits due to overseas parents were a little higher while interest paid overseas nearly doubled. Investment in the programme increased sharply from the low second quarter level, mainly as a result of large injections of finance from parent companies; however, foreign currency borrowing from UK banks also rose.

Revisions

The current account figures for 1979 and earlier years remain consistent with those in the 1981 edition of the Pink Book. Figures for later periods have been revised in the light of later and more complete information.

For invisibles a number of previous estimates have been affected, largely balancing out in the first quarter but increasing the surplus by £253 million in the second quarter of 1981. For 1980 the changes partially balanced out, the overall surplus on invisibles being reduced by £84 million.

Changes to previous capital account estimates for 1980 onwards have been extensive but largely offsetting. Revisions were largely to estimates of investment and trade credit transactions and also to private UK residents' transactions with banks overseas, for which second quarter estimates were previously unavailable. Some revisions to capital account estimates for years prior to 1980 have also been made.

Central Statistical Office

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APPENDIX

United Kingdom balance of payments

Summary

TABLE 1

£ million

	Seasonally adjusted						Not seasonally adjusted					
		Invisibles (balance)										
	Visible trade (balance)	Services	I.P.D.	Transfers	Total	Current balance	Current balance	Capital transfers	Investment and other capital transactions	Allocation of SDRs and gold subscription to IMF	Official financing	Balancing item
1970	− 34	+ 481	+ 554	− 178	+ 857	+ 823	+ 823	—	+ 545	+133	−1,420	− 81
1971	+ 190	+ 625	+ 502	− 193	+ 934	+1,124	+1,124	—	+1,790	+125	−3,271	+ 232
1972	− 748	+ 701	+ 538	− 244	+ 995	+ 247	+ 247	—	− 684	+124	+1,141	− 828
1973	−2,586	+ 786	+1,257	− 438	+1,605	− 981	− 981	−59	+ 166	—	+ 771	+ 103
1974	−5,351	+1,083	+1,415	− 420	+2,078	−3,273	−3,273	−75	+1,594	—	+1,646	+ 108
1975	−3,333	+1,519	+ 773	− 480	+1,812	−1,521	−1,521	—	+ 134	—	+1,465	− 78
1976	−3,929	+2,443	+1,365	− 760	+3,048	− 881	− 881	—	−3,088	—	+3,628	+ 341
1977	−2,284	+3,254	+ 104	−1,115	+2,243	− 41	− 41	—	+4,177	—	−7,361	+3,225
1978	−1,542	+3,711	+ 592	−1,822	+2,481	+ 939	+ 939	—	−4,242	—	+1,126	+2,177
1979	−3,458	+4,039	+ 846	−2,290	+2,595	− 863	− 863	—	+2,170	+195	−1,905	+ 403
1980	+1,178	+4,178	− 112	−2,122	+1,944	+3,122	+3,122	—	−1,375	+180	−1,372	− 555
1973 *1*	− 432	+ 158	+ 151	− 97	+ 212	− 220	− 376	−38	+ 120	—	− 27	+ 321
2	− 502	+ 199	+ 358	− 154	+ 403	− 99	− 20	−19	+ 401	—	− 99	− 263
3	− 674	+ 201	+ 289	− 93	+ 397	− 277	− 260	− 1	− 600	—	+ 618	+ 243
4	− 978	+ 228	+ 459	− 94	+ 593	− 385	− 325	− 1	+ 245	—	+ 279	− 198
1974 *1*	−1,239	+ 209	+ 404	− 99	+ 514	− 725	− 856	—	+ 514	—	+ 339	+ 3
2	−1,405	+ 256	+ 386	− 99	+ 543	− 862	− 847	−29	+ 685	—	+ 319	− 128
3	−1,323	+ 321	+ 314	− 94	+ 541	− 782	− 747	−40	+ 500	—	—	+ 287
4	−1,384	+ 297	+ 311	− 128	+ 480	− 904	− 823	− 6	− 105	—	+ 988	− 54
1975 *1*	− 944	+ 368	+ 201	− 73	+ 496	− 448	− 624	—	+ 99	—	+ 326	+ 199
2	− 713	+ 376	+ 142	− 146	+ 372	− 341	− 334	—	+ 90	—	+ 572	− 328
3	−1,030	+ 360	+ 180	− 112	+ 428	− 602	− 526	—	+ 256	—	+ 213	+ 57
4	− 646	+ 415	+ 250	− 149	+ 516	− 130	− 37	—	− 311	—	+ 354	− 6
1976 *1*	− 524	+ 563	+ 294	− 194	+ 663	+ 139	− 112	—	− 569	—	+ 678	+ 3
2	−1,048	+ 548	+ 350	− 167	+ 731	− 317	− 339	—	−1,787	—	+1,955	+ 171
3	−1,227	+ 648	+ 369	− 188	+ 829	− 398	− 243	—	− 673	—	+ 861	+ 55
4	−1,130	+ 684	+ 352	− 211	+ 825	− 305	− 187	—	− 59	—	+ 134	+ 112
1977 *1*	− 933	+ 730	+ 122	− 245	+ 607	− 326	− 635	—	+1,616	—	−1,913	+ 932
2	− 917	+ 818	− 16	− 281	+ 521	− 396	− 456	—	− 12	—	− 908	+1,376
3	− 166	+ 831	− 10	− 322	+ 499	+ 333	+ 570	—	+1,298	—	−2,608	+ 740
4	− 268	+ 875	+ 8	− 267	+ 616	+ 348	+ 480	—	+1,275	—	−1,932	+ 177
1978 *1*	− 562	+ 885	+ 56	− 545	+ 396	− 166	− 439	—	− 131	—	− 173	+ 743
2	− 159	+ 814	+ 225	− 410	+ 629	+ 470	+ 298	—	−2,235	—	+1,494	+ 443
3	− 557	+ 989	+ 172	− 480	+ 681	+ 124	+ 441	—	− 445	—	− 210	+ 214
4	− 264	+1,023	+ 139	− 387	+ 775	+ 511	+ 639	—	−1,431	—	+ 15	+ 777
1979 *1*	−1,426	+ 984	+ 396	− 521	+ 859	− 567	− 930	—	+ 550	+195	− 879	+1,064
2	− 515	+ 944	+ 91	− 522	+ 513	− 2	− 181	—	+ 882	—	− 758	+ 57
3	− 753	+1,032	+ 322	− 623	+ 731	− 22	+ 384	—	+ 272	—	− 297	− 359
4	− 764	+1,079	+ 37	− 624	+ 492	− 272	− 136	—	+ 486	—	+ 29	− 359
1980 *1*	− 385	+1,068	− 115	− 505	+ 448	+ 63	− 350	—	− 420	+180	− 689	+1,279
2	− 322	+1,034	− 30	− 661	+ 343	+ 21	− 143	—	+ 608	—	− 246	− 219
3	+ 620	+ 965	− 36	− 625	+ 304	+ 924	+1,224	—	− 243	—	− 279	− 702
4	+1,265	+1,111	+ 69	− 331	+ 849	+2,114	+2,391	—	−1,320	—	− 158	− 913
1981 *1*	..	+1,098	+ 339	− 114	+1,323	..	..	—	−3,337	+158	− 319	..
2	..	+1,003	+ 414	− 758	+ 659	..	..	—	−1,936	—	+ 165	..
3	..	+ 867	+ 154	− 718	+ 303	..	..	—	− 731	—	+ 709	..

Visible trade in the balance of payments

TABLE 2

	£ million						1975=100				
	Not seasonally adjusted		Seasonally adjusted				Seasonally adjusted		Not seasonally adjusted		
	Balance of payments		Overseas trade statistics[2]		Balance of payments		Volume indices		Unit value indices		
	Exports (f.o.b.)	Imports (f.o.b.)	Exports (f.o.b.)	Imports (c.i.f.)	Exports (f.o.b.)	Imports (f.o.b.)	Exports	Imports	Exports	Imports	Terms of trade[1]
1970	8,150	8,184	8,096	9,113	8,150	8,184	81·1	81·8	50·8	42·8	118·8
1971	9,043	8,853	9,070	9,799	9,043	8,853	85·9	85·5	53·7	44·8	119·8
1972	9,437	10,185	9,602	11,073	9,437	10,185	85·6	95·2	56·8	46·9	121·1
1973	11,937	14,523	12,087	15,724	11,937	14,523	97·2	108·4	64·0	60·0	106·8
1974	16,394	21,745	16,309	23,139	16,394	21,745	104·2	109·5	81·6	87·7	93·1
1975	19,330	22,663	19,607	24,046	19,330	22,663	100·0	100·0	100·0	100·0	100·0
1976	25,191	29,120	25,277	31,084	25,191	29,120	109·9	105·8	119·6	122·2	97·9
1977	31,728	34,012	31,990	36,219	31,728	34,012	118·4	107·7	141·5	141·3	100·2
1978	35,063	36,605	35,380	39,533	35,063	36,605	121·5	112·8	155·5	146·8	105·9
1979	40,678	44,136	40,637	46,925	40,678	44,136	125·6	125·6	171·8	161·6	106·3
1980	47,389	46,211	47,339	49,886	47,389	46,211	127·9	119·1	192·9	185·9	103·8
1973 *1*	2,720	3,289	2,766	3,396	2,730	3,162	93·8	106·7	60·6	52·4	115·5
2	2,958	3,396	2,908	3,676	2,870	3,372	95·5	105·8	62·4	56·4	110·6
3	2,925	3,585	3,117	4,101	3,082	3,756	98·9	108·6	65·0	62·5	103·9
4	3,334	4,253	3,296	4,550	3,255	4,233	100·4	112·7	68·2	68·6	99·4
1974 *1*	3,610	4,944	3,616	5,206	3,636	4,875	101·9	108·4	74·0	78·6	94·2
2	4,186	5,592	4,036	5,904	4,111	5,516	106·3	111·1	80·1	88·1	90·9
3	4,152	5,452	4,309	5,971	4,295	5,618	105·9	110·2	84·1	90·7	92·7
4	4,446	5,757	4,348	6,058	4,352	5,736	102·5	108·3	88·1	93·2	94·5
1975 *1*	4,493	5,543	4,707	5,939	4,658	5,602	100·8	102·2	95·2	96·5	98·7
2	4,822	5,537	4,653	5,624	4,594	5,307	97·4	96·4	97·5	97·1	100·4
3	4,644	5,639	4,890	6,187	4,806	5,836	97·8	102·5	101·6	100·8	100·8
4	5,371	5,944	5,357	6,297	5,272	5,918	103·9	98·9	105·7	105·6	100·1
1976 *1*	5,665	6,323	5,620	6,540	5,599	6,123	106·1	98·5	109·6	110·4	99·3
2	6,252	7,292	6,161	7,728	6,164	7,212	110·8	107·9	115·8	119·0	97·3
3	6,153	7,336	6,418	8,089	6,400	7,627	109·5	108·3	122·8	125·1	98·2
4	7,121	8,169	7,078	8,728	7,028	8,158	113·0	108·6	130·3	134·3	97·0
1977 *1*	7,484	8,572	7,487	8,879	7,437	8,370	115·5	107·4	134·9	137·1	98·4
2	7,998	8,905	7,968	9,435	7,914	8,831	118·5	112·0	140·6	140·8	99·9
3	8,131	8,268	8,455	9,052	8,354	8,520	123·2	107·6	144·3	143·4	100·6
4	8,115	8,267	8,079	8,853	8,023	8,291	116·4	103·9	146·4	143·9	101·8
1978 *1*	8,198	8,920	8,372	9,344	8,282	8,844	118·5	111·4	149·6	141·9	105·4
2	9,125	9,315	8,859	9,999	8,790	8,949	122·6	110·2	153·7	146·5	104·9
3	8,502	8,978	8,927	10,071	8,854	9,411	121·4	115·1	157·6	148·1	106·4
4	9,238	9,392	9,222	10,118	9,137	9,401	123·4	114·4	161·1	150·8	106·8
1979 *1*	8,442	10,095	8,346	10,413	8,310	9,736	108·1	114·5	166·0	153·9	107·8
2	10,811	11,369	10,717	12,039	10,765	11,280	136·3	130·2	169·2	158·5	106·8
3	10,089	10,681	10,495	11,855	10,488	11,241	128·0	129·0	173·2	161·7	107·1
4	11,336	11,991	11,080	12,617	11,115	11,879	130·1	128·9	178·8	172·4	103·7
1980 *1*	12,005	12,685	11,856	13,264	11,876	12,261	131·4	124·5	187·3	185·3	101·1
2	11,906	12,227	11,896	13,110	11,915	12,237	128·5	125·8	191·7	185·5	103·4
3	11,422	10,651	11,719	12,099	11,707	11,087	124·8	115·6	195·7	185·5	105·5
4	12,056	10,648	11,867	11,413	11,891	10,626	126·8	110·3	197·0	187·2	105·2
1981 *1*	..	10,265	..	10,729	..	10,036	..	103·8	..	189·9	..
2	..	..	..	..	..	..	..	..	..	..	..
3	..	..	..	..	..	..	..	..	..	..	..

[1] Export unit value index as a percentage of the import unit value index.
[2] Due to roundings, the sum of four quarters may not equal the annual data.

Invisibles: Summary

TABLE 3

£ million

	Seasonally adjusted											Not seasonally adjusted		
	Invisible credits				Invisible debits				Invisible balance			Total invisibles		
	Services	IPD	Transfers	Total	Services	IPD	Transfers	Total	Total	*of which:* Private sector and PC: service and IPD	*of which:* Gen govt transactions and private transfers	Credits	Debits	Balance
1970	3,444	1,452	230	5,126	2,963	898	408	4,269	+ 857	+1,613	− 756	5,126	4,269	+ 857
1971	3,965	1,486	246	5,697	3,340	984	439	4,763	+ 934	+1,646	− 712	5,697	4,763	+ 934
1972	4,288	1,748	264	6,300	3,587	1,210	508	5,305	+ 995	+1,732	− 737	6,300	5,305	+ 995
1973	5,296	2,823	387	8,506	4,510	1,566	825	6901	+1,605	+2,651	−1,046	8,506	6,901	+1,605
1974	6,736	3,286	489	10,511	5,653	1,871	909	8,433	+2,078	+3,369	−1,291	10,511	8,433	+2,078
1975	7,867	2,841	759	11,467	6,348	2,068	1,239	9,655	+1,812	+3,376	−1,564	11,467	9,655	+1,812
1976	10,239	3,971	790	15,000	7,796	2,606	1,550	11,952	+3,048	+5,123	−2,075	15,000	11,952	+3,048
1977	11,844	4,032	912	16,788	8,590	3,928	2,027	14,545	+2,243	+4,815	−2,572	16,788	14,545	+2,243
1978	12,642	5,148	1,168	18,958	8,931	4,556	2,990	16,477	+2,481	+5,616	−3,135	18,958	16,477	+2,481
1979	14,505	7,879	1,310	23,694	10,466	7,033	3,600	21,099	+2,595	+6,260	−3,665	23,694	21,099	+2,595
1980	15,799	7,982	1,751	25,532	11,621	8,094	3,873	23,588	+1,944	+5,512	−3,568	25,532	23,588	+1,944
1973 *1*	1,198	546	79	1,823	1,040	395	176	1,611	+ 212	+ 468	− 256	1,725	1,532	+ 193
2	1,280	735	85	2,100	1,081	377	239	1,697	+ 403	+ 701	− 298	2,101	1,683	+ 418
3	1,349	668	107	2,124	1,148	379	200	1,727	+ 397	+ 651	− 254	2,236	1,836	+ 400
4	1,469	874	116	2,459	1,241	415	210	1,866	+ 593	+ 831	− 238	2,444	1,850	+ 594
1974 *1*	1,577	885	116	2,578	1,368	481	215	2,064	+ 514	+ 813	− 299	2,461	1,983	+ 478
2	1,663	834	114	2,611	1,407	448	213	2,068	+ 543	+ 860	− 317	2,615	2,056	+ 559
3	1,741	756	116	2,613	1,420	442	210	2,072	+ 541	+ 857	− 316	2,744	2,191	+ 553
4	1,755	811	143	2,709	1,458	500	271	2,229	+ 480	+ 839	− 359	2,691	2,203	+ 488
1975 *1*	1,882	733	197	2,812	1,514	532	270	2,316	+ 496	+ 819	− 323	2,632	2,206	+ 426
2	1,911	675	173	2,759	1,535	533	319	2,387	+ 372	+ 768	− 396	2,774	2,393	+ 381
3	1,973	674	195	2,842	1,613	494	307	2,414	+ 428	+ 842	− 414	3,031	2,562	+ 469
4	2,101	759	194	3,054	1,686	509	343	2,538	+ 516	+ 947	− 431	3,030	2,494	+ 536
1976 *1*	2,278	929	175	3,382	1,715	635	369	2,719	+ 663	+1,146	− 483	3,145	2,599	+ 546
2	2,458	945	209	3,612	1,910	595	376	2,881	+ 731	+1,226	− 495	3,601	2,900	+ 701
3	2,660	1,033	196	3,889	2,012	664	384	3,060	+ 829	+1,340	− 511	4,167	3,227	+ 940
4	2,843	1,064	210	4,117	2,159	712	421	3,292	+ 825	+1,411	− 586	4,087	3,226	+ 861
1977 *1*	2,825	1,020	229	4,074	2,095	898	474	3,467	+ 607	+1,244	− 637	3,753	3,300	+ 453
2	2,931	1,001	212	4,144	2,113	1,017	493	3,623	+ 521	+1,191	− 670	4,114	3,663	+ 451
3	3,042	998	220	4,260	2,211	1,008	542	3,761	+ 499	+1,171	− 672	4,633	3,926	+ 707
4	3,046	1,013	251	4,310	2,171	1,005	518	3,694	+ 616	+1,209	− 593	4,288	3,656	+ 632
1978 *1*	3,046	1,120	251	4,417	2,161	1,064	796	4,021	+ 396	+1,285	− 889	4,113	3,830	+ 283
2	3,068	1,283	264	4,615	2,254	1,058	674	3,986	+ 629	+1,363	− 734	4,543	4,055	+ 488
3	3,241	1,343	300	4,884	2,252	1,171	780	4,203	+ 681	+1,497	− 816	5,300	4,383	+ 917
4	3,287	1,402	353	5,042	2,264	1,263	740	4,267	+ 775	+1,471	− 696	5,002	4,209	+ 793
1979 *1*	3,401	1,816	296	5,513	2,417	1,420	817	4,654	+ 859	+1,694	− 835	5,173	4,450	+ 723
2	3,522	1,818	316	5,656	2,578	1,727	838	5,143	+ 513	+1,401	− 888	5,583	5,206	+ 377
3	3,677	2,167	327	6,171	2,645	1,845	950	5,440	+ 731	+1,679	− 948	6,621	5,645	+ 976
4	3,905	2,078	371	6,354	2,826	2,041	995	5,862	+ 492	+1,486	− 994	6,317	5,798	+ 519
1980 *1*	3,987	2,005	421	6,413	2,919	2,120	926	5,965	+ 448	+1,280	− 832	6,001	5,671	+ 330
2	3,961	2,200	362	6,523	2,927	2,230	1,023	6,180	+ 343	+1400	−1,057	6,441	6,263	+ 178
3	3,883	1,771	396	6,050	2,918	1,807	1,021	5,746	+ 304	+1,281	− 977	6,549	6,096	+ 453
4	3,968	2,006	572	6,546	2,857	1,937	903	5,697	+ 849	+1,551	− 702	6,541	5,558	+ 983
1981 *1*	4,000	2,200	967	7,167	2,902	1,861	1,081	5,844	+1,323	+1,778	− 455	6,771	5,547	+1,224
2	4,143	2,256	331	6,730	3,140	1,842	1,089	6,071	+ 659	+1,811	−1,152	6,613	6,164	+ 449
3	4,198	2,282	467	6,947	3,331	2,128	1,185	6,644	+ 303	+1,381	−1,078	7,453	7,077	+ 376

Services: credits

TABLE 4

	£ million												1975 =100
	Private sector and public corporations								General government				
	Sea transport											Total services credits at current prices	Volume indices: total services credits
	Dry cargo	Tankers	Total	Civil aviation	Travel	Financial services	Other services	Total	EC institutions	Other	Total		
1973	977	1,078	2,055	480	726	601	1,330	5,192	13	91	104	5,296	92·1
1974	1,408	1,257	2,665	625	898	785	1,653	6,626	21	89	110	6,736	98·4
1975	1,520	1,131	2,651	780	1,218	1,025	2,054	7,728	34	105	139	7,867	100·0
1976	1,870	1,363	3,233	1,049	1,768	1,302	2,672	10,024	46	169	215	10,239	107·1
1977	2,094	1,339	3,433	1,203	2,352	1,391	3,224	11,603	78	163	241	11,844	110·7
1978	1,934	1,215	3,149	1,455	2,507	1,542	3,671	12,324	94	224	318	12,642	110·7
1979	2,038	1,766	3,804	1,755	2,797	1,601	4,206	14,163	115	227	342	14,505	111·1
1980	2,200	1,616	3,816	2,210	2,965	1,658	4,753	15,402	112	285	397	15,799	106·7
Unadjusted													
1977 *1*	506	348	854	240	361	277	752	2,484	18	46	64	2,548	98·1
2	549	340	889	301	536	322	777	2,825	18	23	41	2,866	107·6
3	537	345	882	372	915	412	779	3,360	20	40	60	3,420	126·7
4	502	306	808	290	540	380	916	2,934	22	54	76	3,010	110·3
1978 *1*	451	294	745	264	375	417	877	2,678	20	65	85	2,763	101·6
2	514	286	800	338	544	349	882	2,913	21	44	65	2,978	104·0
3	497	300	797	475	1,023	391	889	3,575	26	60	86	3,661	126·9
4	472	335	807	378	565	385	1,023	3,158	27	55	82	3,240	110·4
1979 *1*	457	392	849	303	412	397	1,027	2,988	30	71	101	3,089	101·2
2	519	427	946	385	637	377	1,014	3,359	24	39	63	3,422	107·9
3	532	445	977	564	1,088	417	1,004	4,050	30	54	84	4,134	124·9
4	530	502	1,032	503	660	410	1,161	3,766	31	63	94	3,860	110·5
1980 *1*	523	464	987	395	516	406	1,193	3,497	31	78	109	3,606	101·3
2	574	393	967	510	715	419	1,143	3,754	31	53	84	3,838	104·4
3	584	369	953	710	1,124	404	1,083	4,274	31	87	118	4,392	117·9
4	519	390	909	595	610	429	1,334	3,877	19	67	86	3,963	103·3
1981 *1*	509	400	909	476	472	439	1,211	3,507	36	91	127	3,634	94·6
2	589	381	970	556	685	474	1,229	3,914	25	52	77	3,991	98·5
3	632	385	1,017	725	1,130	498	1,218	4,588	21	95	116	4,704	111·7
Seasonally adjusted													
1977 *1*	523	354	877	299	557	290	752	2,775	18	32	50	2,825	108·9
2	538	346	884	303	592	315	786	2,880	18	33	51	2,931	109·8
3	520	347	867	297	591	410	816	2,981	20	41	61	3,042	112·2
4	513	292	805	304	612	376	870	2,967	22	57	79	3,046	111·8
1978 *1*	469	294	763	329	587	422	876	2,977	20	49	69	3,046	111·6
2	504	293	797	346	609	344	892	2,988	21	59	80	3,068	106·4
3	479	306	785	385	664	388	934	3,156	26	59	85	3,241	112·7
4	482	322	804	395	647	388	969	3,203	27	57	84	3,287	112·2
1979 *1*	476	387	863	381	651	396	1,024	3,315	30	56	86	3,401	110·8
2	508	439	947	401	695	375	1,026	3,444	24	54	78	3,522	110·4
3	510	455	965	456	707	411	1,053	3,592	30	55	85	3,677	111·1
4	544	485	1,029	517	744	419	1,103	3,812	31	62	93	3,905	112·2
1980 *1*	544	453	997	500	800	399	1,195	3,891	31	65	96	3,987	111·1
2	564	405	969	538	764	422	1,167	3,860	31	70	101	3,961	106·9
3	559	380	939	567	719	397	1,145	3,767	31	85	116	3,883	104·7
4	533	378	911	605	682	440	1,246	3,884	19	65	84	3,968	104·2
1981 *1*	529	388	917	603	736	429	1,207	3,892	36	72	108	4,000	103·2
2	581	393	974	581	739	478	1,277	4,049	25	69	94	4,143	101·4
3	604	395	999	575	731	488	1,292	4,085	21	92	113	4,198	100·1

Services: debits

TABLE 4 *(continued)*

	£ million												1975 = 100	£ million
	Private sector and public corporations								General government					
	Sea transport					Other services								
	Dry cargo	Tankers	Total	Civil aviation	Travel	Services associated with UK Cont. Shelf	Other	Total	Military	Administrative, diplomatic, etc.	Total	Total services debits at current prices	Volume indices: total services debits	Balance of services at current prices
1973	967	1,193	2,160	415	695	60	667	3,997	424	89	513	4,510	100·3	+ 786
1974	1,339	1,437	2,776	540	703	212	793	5,024	532	97	629	5,653	101·3	+1,083
1975	1,302	1,266	2,568	675	917	490	989	5,639	595	114	709	6,348	100·0	+1,519
1976	1,644	1,517	3,161	840	1,068	665	1,180	6,914	746	136	882	7,796	98·5	+2,443
1977	1,870	1,480	3,350	984	1,186	725	1,380	7,625	825	140	965	8,590	96·7	+3,254
1978	1,932	1,235	3,167	1,176	1,549	568	1,455	7,915	863	153	1,016	8,931	97·7	+3,711
1979	2,201	1,482	3,683	1,467	2,109	467	1,599	9,325	972	169	1,141	10,466	107·8	+4,039
1980	2,434	1,247	3,681	1,815	2,757	514	1,666	10,433	1,012	176	1,188	11,621	112·6	+4,178
Unadjusted														
1977 *1*	470	386	856	204	184	92	324	1,660	206	33	239	1,899	86·4	+ 649
2	471	376	847	249	295	142	321	1,854	211	36	247	2,101	93·9	+ 765
3	470	361	831	293	468	276	370	2,238	207	35	242	2,480	111·2	+ 940
4	459	357	816	238	239	215	365	1,873	201	36	237	2,110	95·4	+ 900
1978 *1*	449	308	757	234	228	115	342	1,676	226	36	262	1,938	87·9	+ 825
2	508	316	824	283	357	159	356	1,979	228	39	267	2,246	98·1	+ 732
3	489	292	781	368	645	161	366	2,321	229	38	267	2,588	112·9	+1,073
4	486	319	805	291	319	133	391	1,939	180	40	220	2,159	91·7	+1,081
1979 *1*	465	360	825	296	305	95	375	1,896	222	41	263	2,159	93·0	+ 930
2	586	359	945	359	503	102	382	2,291	243	45	288	2,579	107·3	+ 843
3	588	359	947	446	858	122	409	2,782	242	39	281	3,063	127·4	+1,071
4	562	404	966	366	443	148	433	2,356	265	44	309	2,665	103·5	+1,195
1980 *1*	622	348	970	398	403	113	418	2,302	241	44	285	2,587	100·4	+1,019
2	628	308	936	453	677	120	424	2,610	268	44	312	2,922	113·2	+ 916
3	638	301	939	545	1,134	127	408	3,153	257	45	302	3,455	134·4	+ 937
4	546	290	836	419	543	154	416	2,368	246	43	289	2,657	102·3	+1,306
1981 *1*	..	..	1,264		459	103	441	2,267	237	45	282	2,549	97·2	+1,085
2	..	..	1,425		794	149	468	2,836	255	46	301	3,137	115·4	+ 854
3	..	..	1,594		1,425	138	521	3,678	259	58	317	3,995	134·8	+ 709
Seasonally adjusted														
1977 *1*	481	393	874	234	292	130	324	1,854	208	33	241	2,095	95·5	+ 730
2	463	378	841	249	297	160	321	1,868	209	36	245	2,113	94·3	+ 818
3	462	362	824	249	284	244	370	1,971	205	35	240	2,211	98·8	+ 831
4	464	347	811	252	313	191	365	1,932	203	36	239	2,171	98·3	+ 875
1978 *1*	459	313	772	269	365	153	342	1,901	224	36	260	2,161	98·3	+ 885
2	497	318	815	282	365	167	356	1,985	230	39	269	2,254	98·2	+ 814
3	478	295	773	314	398	136	366	1,987	227	38	265	2,252	98·0	+ 989
4	498	309	807	311	421	112	391	2,042	182	40	222	2,264	98·1	+1,023
1979 *1*	477	365	842	339	477	122	374	2,154	222	41	263	2,417	104·3	+ 984
2	573	361	934	358	509	106	383	2,290	243	45	288	2,578	107·4	+ 944
3	570	362	932	378	536	109	409	2,364	242	39	281	2,645	109·3	+1,032
4	581	394	975	392	587	130	433	2,517	265	44	309	2,826	110·2	+1,079
1980 *1*	640	353	993	452	629	142	418	2,634	241	44	285	2,919	114·1	+1,068
2	613	308	921	453	692	126	423	2,615	268	44	312	2,927	113·4	+1,034
3	616	302	918	462	714	113	409	2,616	257	45	302	2,918	112·5	+ 965
4	565	284	849	448	722	133	416	2,568	246	43	289	2,857	110·3	+1,111
1981 *1*	..	..	1,343		709	127	441	2,620	237	45	282	2,902	111·7	+1,098
2	..	..	1,410		804	157	468	2,839	255	46	301	3,140	115·6	+1,003
3	..	..	1,479		888	125	522	3,014	259	58	317	3,331	112·2	+ 867

Interest, profits and dividends: credits

TABLE 5

£ million

	Earnings on:			Interest on UK borrowing and lending in foreign currencies (balance)	Other earnings (including oil companies)[2]	Total credits	*of which:*	
	Direct investment[1]	Portfolio investment	Export credit and sterling lending by UK banks				Private sector and public corporations	General government
1973	1,460	222	238	54	859	2,823	2,647	176
1974	1,490	279	322	151	1,044	3,286	3,049	237
1975	1,591	271	365	138	476	2,841	2,575	266
1976	2,383	313	472	210	593	3,971	3,718	253
1977	2,293	328	460	107	844	4,032	3,648	384
1978	2,346	353	566	346	1,537	5,148	4,457	691
1979	2,815	450	741	−44	3,917	7,879	7,063	816
1980	2,658	598	970	352	3,404	7,982	7,039	943
Unadjusted								
1977 *1*	541	81	114	12	228	976	916	60
2	597	81	120	18	220	1,036	946	90
3	564	83	108	38	200	993	892	101
4	591	83	118	39	196	1,027	894	133
1978 *1*	530	79	115	48	327	1,099	928	171
2	606	88	134	68	405	1,301	1,104	197
3	614	97	143	114	371	1,339	1,173	166
4	596	89	174	116	434	1,409	1,252	157
1979 *1*	651	107	181	36	813	1,788	1,611	177
2	668	108	178	6	885	1,845	1,640	205
3	773	119	177	3	1,088	2,160	1,953	207
4	723	116	205	−89	1 131	2,086	1,859	227
1980 *1*	729	134	216	−44	939	1,974	1,747	227
2	715	145	224	155	1,002	2,241	1,952	289
3	586	162	243	97	673	1,761	1,551	210
4	628	157	287	144	790	2,006	1,789	217
1981 *1*	715	172	289	108	886	2,170	1,965	205
2	723	184	288	282	814	2,291	1,996	295
3	631	227	345	273	806	2,282	2,041	241
Seasonally adjusted								
1977 *1*	562	84	129	12	233	1,020	955	65
2	585	81	111	18	206	1,001	924	77
3	563	79	113	38	205	998	892	106
4	583	84	107	39	200	1,013	877	136
1978 *1*	546	81	115	48	330	1,120	946	174
2	598	88	136	68	393	1,283	1,097	186
3	610	93	150	114	376	1,343	1,172	171
4	592	91	165	116	438	1,402	1,242	160
1979 *1*	669	110	185	36	816	1,816	1,636	180
2	661	108	175	6	868	1,818	1,631	187
3	765	113	189	3	1,097	2,167	1,951	216
4	720	119	192	−89	1,136	2,078	1,845	233
1980 *1*	745	138	219	−44	947	2,005	1,771	234
2	708	146	221	155	970	2,200	1,943	257
3	576	154	256	97	688	1,771	1,545	226
4	629	160	274	144	799	2,006	1,780	226
1981 *1*	732	176	287	108	897	2,200	1,984	216
2	717	186	291	282	780	2,256	1,995	261
3	623	210	357	273	819	2,282	2,028	254

[1] Earnings on direct investment exclude the earnings of oil companies.
[2] Includes, from 1976 only, interest on private bank deposits overseas.

Interest, profits and dividends: debits

TABLE 5 *(continued)*

£ million

	Earnings on:									
								of which:		
	Direct[1] investment	Portfolio investment	Sterling liabilities	Foreign currency borrowing by general government[2]	Foreign oil companies' investment in UK	Other	Total debits	Private sector and public corporations	General government	Balance of IPD
1973	707	187	452	18	37	165	1,566	1,191	375	+1,257
1974	622	252	623	139	27	208	1,871	1,282	589	+1,415
1975	625	307	651	259	— 23	249	2,068	1,288	780	+ 773
1976	1,040	385	567	368	— 76	322	2,606	1,705	901	+1,365
1977	1,432	580	472	422	565	457	3,928	2,811	1,117	+ 104
1978	1,527	687	501	522	703	616	4,556	3,250	1,306	+ 592
1979	2,149	779	915	576	1,940	674	7,033	5,641	1,392	+ 846
1980	1,759	948	1,522	518	2,628	719	8,094	6,496	1,598	— 112
Unadjusted										
1977 *1*	347	119	130	87	92	86	861	616	245	+ 115
2	408	175	129	119	147	116	1,094	787	307	— 58
3	333	139	109	97	155	101	934	676	258	+ 59
4	344	147	104	119	171	154	1,039	732	307	— 12
1978 *1*	377	153	112	119	135	110	1,006	715	291	+ 93
2	379	218	104	144	142	189	1,176	796	380	+ 125
3	370	151	138	114	148	129	1,050	763	287	+ 289
4	401	165	147	145	278	188	1,324	976	348	+ 85
1979 *1*	419	146	155	130	361	133	1,344	1,055	289	+ 444
2	576	210	196	169	493	199	1,843	1,443	400	+ 2
3	395	187	233	107	626	135	1,683	1,386	297	+ 477
4	759	236	331	170	460	207	2,163	1,757	406	— 77
1980 *1*	489	203	325	108	730	163	2,018	1,688	330	— 44
2	548	305	367	177	737	247	2,381	1,851	530	— 140
3	297	227	378	93	560	120	1,675	1,327	348	+ 86
4	425	213	452	140	601	189	2,020	1,630	390	— 14
1981 *1*	301	235	417	81	583	155	1,772	1,429	343	+ 398
2	369	288	442	191	421	300	2,011	1,459	552	+ 280
3	452	259	451	99	495	188	1,944	1,578	366	+ 338
Seasonally adjusted										
1977 *1*	347	127	127	93	92	112	898	632	266	+ 122
2	384	143	133	104	147	106	1,017	745	272	— 16
3	376	145	107	110	155	115	1,008	731	277	— 10
4	325	165	105	115	171	124	1,005	703	302	+ 8
1978 *1*	379	176	107	128	135	139	1,064	737	327	+ 56
2	352	168	111	129	142	156	1,058	737	321	+ 225
3	426	168	141	132	148	156	1,171	844	327	+ 172
4	370	175	142	133	278	165	1,263	932	331	+ 139
1979 *1*	436	156	158	143	361	166	1,420	1,103	317	+ 396
2	545	173	205	150	493	161	1,727	1,384	343	+ 91
3	476	206	245	130	626	162	1,845	1,500	345	+ 322
4	692	244	307	153	460	185	2,041	1,654	387	+ 37
1980 *1*	508	230	331	121	730	200	2,120	1,748	372	— 115
2	525	251	380	158	737	179	2,230	1,788	442	— 30
3	338	235	401	118	560	155	1,807	1,415	392	— 36
4	388	232	410	121	601	185	1,937	1,545	392	+ 69
1981 *1*	309	247	433	93	583	196	1,861	1,478	383	+ 339
2	348	245	448	164	421	216	1,842	1,394	448	+ 414
3	536	269	472	126	495	230	2,128	1,718	410	+ 154

[1] Earnings on direct investment exclude the earnings of oil companies.

[2] Excluding foreign currency issues but including loans raised by all public bodies under the exchange cover scheme.

Transfers

TABLE 6

£ million

	Private sector			General government								
				Credits	Debits							
	Credits	Debits	Balance of private sector	EC institutions	Bilateral aid	Contributions and subscriptions to international orgs. EC	Contributions and subscriptions to international orgs. Other	Pensions and benefits	Other debits	Total debits	Balance of general government	Balance of transfers
1973	320	398	− 78	67	95	187	80	59	6	427	− 360	− 438
1974	357	454	− 97	132	108	186	90	66	5	455	− 323	− 420
1975	393	503	−110	366	160	350	143	80	3	736	− 370	− 480
1976	537	509	+ 28	253	264	474	192	108	3	1,041	− 788	− 760
1977	614	614	—	298	278	750	254	125	6	1,413	−1,115	−1,115
1978	729	848	−119	439	387	1,364	233	150	8	2,142	−1,703	−1,822
1979	760	992	−232	550	497	1,626	325	154	6	2,608	−2,058	−2,290
1980	793	1,083	−290	958	537	1,783	281	181	8	2,790	−1,832	−2,122
Unadjusted												
1977 *1*	148	145	+ 3	81	104	177	78	32	4	395	− 314	− 311
2	151	135	+ 16	61	46	185	73	29	—	333	− 272	− 256
3	157	153	+ 4	63	53	217	55	32	2	359	− 296	− 292
4	158	181	− 23	93	75	171	48	32	—	326	− 233	− 256
1978 *1*	167	228	− 61	84	153	382	80	38	5	658	− 574	− 635
2	185	205	− 20	79	49	271	71	37	—	428	− 349	− 369
3	186	211	− 25	114	74	379	41	38	2	534	− 420	− 445
4	191	204	− 13	162	111	332	41	37	1	522	− 360	− 373
1979 *1*	192	220	− 28	104	212	362	111	38	4	727	− 623	− 651
2	190	205	− 15	126	63	386	96	34	—	579	− 453	− 468
3	184	275	− 91	143	97	428	58	40	1	624	− 481	− 572
4	194	292	− 98	177	125	450	60	42	1	678	− 501	− 599
1980 *1*	194	273	− 79	227	231	415	93	48	6	793	− 566	− 645
2	198	271	− 73	164	77	483	83	45	1	689	− 525	− 598
3	199	271	− 72	197	114	466	71	44	—	695	− 498	− 570
4	202	268	− 66	370	115	419	34	44	1	613	− 243	− 309
1981 *1*	193	274	− 81	774	251	544	90	61	6	952	− 178	− 259
2	210	275	− 65	121	96	505	85	55	—	741	− 620	− 685
3	236	280	− 44	231	111	658	33	56	—	858	− 627	− 671
Seasonally adjusted												
1977 *1*	148	145	+ 3	81	57	180	61	29	2	329	− 248	− 245
2	151	135	+ 16	61	71	195	60	31	1	358	− 297	− 281
3	157	153	+ 4	63	71	217	67	32	2	389	− 326	− 322
4	158	181	− 23	93	79	158	66	33	1	337	− 244	− 267
1978 *1*	167	228	− 61	84	86	383	61	35	3	568	− 484	− 545
2	185	205	− 20	79	86	282	61	39	1	469	− 390	− 410
3	186	211	− 25	114	100	377	52	38	2	569	− 455	− 480
4	191	204	− 13	162	115	322	59	38	2	536	− 374	− 387
1979 *1*	192	220	− 28	104	120	356	85	35	1	597	− 493	− 521
2	190	205	− 15	126	116	398	81	36	2	633	− 507	− 522
3	184	275	− 91	143	132	427	75	40	1	675	− 532	− 623
4	194	292	− 98	177	129	445	84	43	2	703	− 526	− 624
1980 *1*	194	273	− 79	227	131	405	69	45	3	653	− 426	− 505
2	198	271	− 73	164	135	496	71	47	3	752	− 588	− 661
3	199	271	− 72	197	152	466	88	44	—	750	− 553	− 625
4	202	268	− 66	370	119	416	53	45	2	635	− 265	− 331
1981 *1*	193	274	− 81	774	141	535	70	58	3	807	− 33	− 114
2	210	275	− 65	121	159	524	73	57	1	814	− 693	− 758
3	236	280	− 44	231	152	654	43	56	—	905	− 674	− 718

Investment and other capital transactions[1]

TABLE 7

Not seasonally adjusted

£ million

	Overseas investment in		UK private investment overseas	Official long-term capital	Trade credit[2]	Foreign currency borrowing or lending abroad by UK banks[3]	Exchange reserves in sterling[4]		Other external banking and money market liabilities in sterling	External sterling lending by UK banks[5]	Other external borrowing or lending	Other transactions	Total investment and other capital transactions
	UK public sector	UK private sector					British government stocks	Banking and money market liabilities, etc.					
1970	− 8	+ 711	− 829	−206	− 381	+ 472	+ 63	+ 130	+ 266	+ 124	+ 141	+ 62	+ 545
1971	+ 103	+ 912	− 860	−274	− 233	+ 471	+ 55	+ 658	+ 709	+ 39	+ 144	+ 66	+1,790
1972	+ 113	+ 659	−1,402	−254	− 211	+ 471	+ 65	+ 222	− 91	− 241	+ 146	−161	− 684
1973	+ 156	+1,341	−1,760	−255	− 203	+ 535	+ 74	+ 87	− 7	+ 35	+ 339	−176	+ 166
1974	+ 180	+2,024	−1,148	−287	− 722	− 295	−124	+1,534	+ 148	+ 53	+ 351	−120	+1,594
1975	− 13	+1,527	−1,367	−291	− 518	+ 253	+ 7	− 624	+ 550	+ 94	+ 316	+200	+ 134
1976	+ 176	+1,912	−2,269	−160	−1,064	− 106	+ 14	−1,421	+ 255	− 348	+ 121	−198	−3,088
1977	+1,432	+2,967	−2,334	−303	− 338	+ 364	+ 5	− 24	+1,481	+ 58	+ 813	+ 56	+4,177
1978	− 97	+2,005	−4,634	−336	− 571	− 433	−115	− 4	+ 293	− 507	+ 106	+ 51	−4,242
1979	+ 902	+3,405	−6,555	−401	− 777	+1,623	+247	+ 532	+2,580	+ 209	+ 473	− 68	+2,170
1980	+ 582	+4,194	−7,053	− 91	−1,151	+2,024	+946	+ 316	+2,559	−2,466	−1,012	−223	−1,375
1973 *1*	+ 44	+ 301	− 359	− 55	− 157	+ 1	+ 18	+ 183	− 31	+ 163	+ 55	− 43	+ 120
2	+ 20	+ 397	− 363	− 32	+ 36	+ 162	+ 92	− 3	+ 77	− 85	+ 51	+ 49	+ 401
3	+ 21	+ 242	− 347	− 27	− 68	+ 36	− 38	− 307	− 70	− 70	+ 66	− 38	− 600
4	+ 71	+ 401	− 691	−141	− 14	+ 336	+ 2	+ 214	+ 17	+ 27	+ 167	−144	+ 245
1974 *1*	+ 22	+ 830	− 358	− 53	− 125	− 61	+ 68	+ 164	− 53	+ 1	+ 100	− 21	+ 514
2	+ 96	+ 404	− 101	− 44	− 273	+ 56	−190	+ 421	+ 155	+ 104	+ 57	—	+ 685
3	+ 4	+ 471	− 198	− 23	− 127	− 346	− 67	+ 622	+ 61	− 2	+ 102	+ 3	+ 500
4	+ 58	+ 319	− 491	−167	− 197	+ 56	+ 65	+ 327	− 15	− 50	+ 92	−102	− 105
1975 *1*	+ 36	+ 305	− 378	− 72	− 208	− 62	+ 6	+ 222	+ 19	+ 46	+ 77	+108	+ 99
2	− 3	+ 207	− 528	− 39	− 177	+ 772	− 7	− 296	+ 286	− 241	+ 54	+ 62	+ 90
3	− 57	+ 580	− 108	− 30	+ 137	− 15	− 67	− 313	+ 1	+ 35	+ 82	+ 11	+ 256
4	+ 11	+ 435	− 353	−150	− 270	− 442	+ 75	− 237	+ 244	+ 254	+ 103	+ 19	− 311
1976 *1*	+ 1	+ 591	− 598	− 37	− 370	+ 94	− 10	− 70	+ 5	− 243	+ 147	− 79	− 569
2	+ 15	+ 377	− 560	− 18	− 316	− 86	− 13	− 908	− 11	− 223	+ 74	−118	−1,787
3	+ 58	+ 458	− 547	− 27	− 45	− 272	− 19	− 330	+ 212	− 124	− 29	− 8	− 673
4	+ 102	+ 486	− 564	− 78	− 333	+ 158	+ 56	− 113	+ 49	+ 242	− 71	+ 7	− 59
1977 *1*	+ 353	+ 927	− 566	− 23	− 135	+ 419	−165	+ 355	+ 199	+ 166	+ 141	− 55	+1,616
2	+ 443	+ 831	− 772	− 19	− 68	− 706	− 4	− 394	+ 350	− 110	+ 381	+ 56	− 12
3	+ 252	+ 727	− 499	− 30	+ 118	+ 187	+ 31	+ 43	+ 323	− 23	+ 216	− 47	+1,298
4	+ 384	+ 482	− 497	−231	− 253	+ 464	+143	− 28	+ 609	+ 25	+ 75	+102	+1,275
1978 *1*	− 55	+ 869	− 897	− 23	− 140	+ 128	− 34	+ 194	− 62	− 292	+ 160	+ 21	− 131
2	− 40	+ 335	− 814	− 8	− 290	− 931	− 20	− 211	− 152	− 66	+ 39	− 76	−2,235
3	− 21	+ 352	−1,189	− 66	− 120	+ 343	− 34	+ 43	+ 159	− 82	− 15	+185	− 445
4	+ 19	+ 449	−1,734	−239	− 21	+ 27	− 27	− 30	+ 348	− 67	− 78	− 79	−1,431
1979 *1*	+ 245	+ 351	−1,516	− 78	− 318	+1,002	−129	+ 267	+ 471	+ 102	+ 76	+ 77	+ 550
2	+ 78	+1,281	−1 441	− 35	− 218	+ 385	+ 6	+ 93	+ 359	+ 203	+ 12	+159	+ 882
3	+ 429	+ 894	−1,950	− 66	+ 108	+ 671	+211	+ 216	+ 448	− 87	− 254	−348	+ 272
4	+ 150	+ 879	−1,648	−222	− 349	− 435	+159	− 44	+1,302	− 9	+ 639	+ 44	+ 466
1980 *1*	− 20	+1,342	−1,828	+ 10	− 323	+ 778	+ 46	+ 454	+ 256	− 324	− 598	−213	− 420
2	+ 655	+ 818	−1,615	− 13	− 158	+ 311	+448	− 93	+ 983	− 559	− 71	− 98	+ 608
3	+ 55	+ 796	−1,576	− 2	− 413	+ 552	+437	− 81	+ 824	− 655	− 124	− 56	− 243
4	− 108	+1,238	−2,034	− 86	− 257	+ 383	+ 15	+ 36	+ 496	− 928	− 219	+144	−1,320
1981 *1*	+ 85	+ 569	−2,750	−139	− 1	− 580	−105	+ 186	+ 302	−1,237	+ 454	−121	−3,337
2	− 109	+1,258	−2,397	−109	− 206	− 775	+145	+ 23	+ 899	− 428	− 559	+322	−1,936
3	− 34	+ 915[6]	−1,820[6]	− 2	− 243	+ 126	+ 48	+ 45	+1,020	− 802	+ 14[7]	+ 2	− 731

[1] Assets: increase −/decrease +. Liabilities: increase +/decrease −. Excluding official financing.

[2] Excluding trade credit between 'related' firms, after deducting advance and progress payments to suppliers. Net credit extended by UK merchants on third country trade is included within export credit.

[3] Borrowing or lending (net) by banks and certain other financial institutions. Excluding changes in levels resulting from changes in sterling valuation: see notes on pages 44 and 57 of 'UK Balance of Payments 1981 Edition'.

[4] Sterling reserves of overseas countries and international organisations, other than the IMF, as reported by banks, etc. in the UK.

[5] Excluding credit for UK exports.

[6] These estimates are highly provisional being based on incomplete information and may be subject to substantial revision.

[7] Latest quarter excludes private sector transactions with banks overseas.

Overseas investment in UK[1]

TABLE 8

Not seasonally adjusted

£ million

	Direct[2]			Portfolio								
								Net issues abroad[4]				
	Unremitted profits	Other	Total	Investment by oil companies	Investment in UK company securities	British government stocks[3]	British government foreign currency bonds	Local authorities securities	Public corporations	Local authorities	Total	Miscellaneous investment	Total overseas investment in UK
1975	+ 247	+ 368	+ 615	+ 883	+ 9	− 13	—	+ 4	− 4	—	− 4	+20	+1,514
1976	+ 541	+ 258	+ 799	+ 819	+259	+116	—	+14	+46	—	+ 435	+35	+2,088
1977	+ 837	+ 489	+1,326	+1,131	+421	+979	+395	+28	+30	—	+1,853	+89	+4,399
1978	+ 720	+ 572	+1,292	+ 666	+ 12	− 3	—	+ 4	−93	− 5	− 85	+35	+1,908
1979	+1,297	+ 521	+1,818	+1,215	+351	+929	—	+41	− 6	−62	+1,253	+21	+4,307
1980	+ 904	+1,190	+2,094	+1,841	+259	+568	—	+19	− 5	—	+ 841	..	+4,776
1978 *1*	+ 257	+ 323	+ 580	+ 290	− 11	+ 38	—	− 2	−91	—	− 66	+10	+ 814
2	+ 215	− 22	+ 193	+ 76	+ 58	− 41	—	+ 2	− 1	—	+ 18	+ 8	+ 295
3	+ 198	+ 61	+ 259	+ 38	+ 44	− 19	—	− 2	—	—	+ 23	+11	+ 331
4	+ 50	+ 210	+ 260	+ 262	− 79	+ 19	—	+ 6	− 1	− 5	− 60	+ 6	+ 468
1979 *1*	+ 174	+ 40	+ 214	+ 91	+ 41	+236	—	+13	− 4	—	+ 286	+ 5	+ 596
2	+ 407	+ 231	+ 638	+ 544	+ 89	+ 67	—	+12	− 1	—	+ 167	+10	+1,359
3	+ 290	+ 208	+ 498	+ 293	+ 97	+421	—	+ 8	—	—	+ 526	+ 6	+1,323
4	+ 426	+ 42	+ 468	+ 287	+124	+205	—	+ 8	− 1	−62	+ 274	..	+1,029
1980 *1*	+ 375	+ 330	+ 705	+ 558	+ 79	− 28	—	+11	− 3	—	+ 59	..	+1,322
2	+ 260	+ 17	+ 277	+ 501	+ 40	+646	—	+10	− 1	—	+ 695	..	+1,473
3	+ 148	+ 121	+ 267	+ 454	+ 75	+ 53	—	+ 2	—	—	+ 130	..	+ 851
4	+ 123	+ 722	+ 845	+ 328	+ 65	−103	—	− 4	− 1	—	− 43	..	+1,130
1981 *1*	+ 189	− 278	− 89	+ 623	+ 35	+ 93	—	+ 1	− 9	—	+ 120	..	+ 654
2	+ 132	+ 637	+ 769	+ 394	+ 95	−110	—	+ 2	− 1	—	− 14	..	+1,149
3	+ 290	− 180	+ 110	+ 690	+115[5]	− 29	—	− 2	− 3	—	+ 81	..	+ 881

[1] Net of disinvestment. Liabilities: increase+/decrease−.
[2] Excluding the transactions of oil companies.
[3] Excluding investments by central monetary institutions and international organisations.
[4] Excluding official financing.
[5] This estimate is highly provisional being based on incomplete information and may be subject to substantial revision.

UK private investment overseas[1]

TABLE 9

Not seasonally adjusted

£ million

	Direct[2]			Oil companies' and other miscellaneous investment	Portfolio	Total
	Unremitted profits	Other	Total			
1975	− 879	− 292	−1,171	− 137	− 59	−1,367
1976	−1,454	− 691	−2,145	− 214	+ 90	−2,269
1977	−1,292	− 593	−1,885	− 461	+ 12	−2,334
1978	−1,259	−1,481	−2,740	− 821	−1,073	−4,634
1979	−1,636	−1,152	−2,788	−2,858	− 909	−6,555
1980	−1,355	−1,214	−2,569	−1,376	−3,108	−7,053
1978 *1*	− 277	− 303	− 580	− 63	− 254	− 897
2	− 310	− 515	− 825	+ 254	− 243	− 814
3	− 372	− 269	− 641	− 301	− 247	−1,189
4	− 300	− 394	− 694	− 711	− 329	−1,734
1979 *1*	− 336	− 219	− 555	− 711	− 250	−1,516
2	− 354	− 594	− 948	− 451	− 42	−1,441
3	− 501	− 71	− 572	−1,077	− 301	−1,950
4	− 445	− 268	− 713	− 619	− 316	−1,648
1980 *1*	− 439	− 386	− 825	− 476	− 527	−1,828
2	− 322	− 650	− 972	− 322	− 321	−1,615
3	− 328	− 4	− 332	− 204	−1,040	−1,576
4	− 266	− 174	− 440	− 374	−1,220	−2,034
1981 *1*	− 506	− 470	− 976	− 444	−1,330	−2,750
2	− 403	− 576	− 979	− 398	−1,020	−2,397
3	− 385	− 592	− 977	− 273	− 570[3]	−1,820

[1] Net of disinvestment. Assets: increase−/decrease+.
[2] Excluding the transactions of oil companies but including investment by a number of public corporations.
[3] This estimate is highly provisional being based on incomplete information and may be subject to substantial revision.

Official long-term capital[1]

TABLE 10

Not seasonally adjusted

£ million

	Inter-government loans				Other official long-term capital		
	Made by UK	Repaid to UK	Repaid by UK	Total	UK sub-scriptions, to IDA, etc.	Other	Total official long-term capital[2]
1975	−113	+ 34	− 83	−162	−110	−19	−291
1976	− 54	+ 37	− 21	− 38	−110	−13	−160
1977	− 44	+ 48	− 68	− 64	−212	−26	−303
1978	− 71	+ 46	− 65	− 90	−225	−21	−336
1979	− 81	+ 70	−116	−128	−259	−14	−401
1980	− 61	+112	− 57	− 6	− 53	−32	− 91
1978 *1*	− 27	+ 12	—	− 15	− 2	− 7	− 23
2	− 8	+ 17	− 6	+ 3	− 10	− 1	− 8
3	− 20	+ 7	—	− 13	− 46	− 6	− 66
4	− 16	+ 10	− 59	− 65	−167	− 7	−239
1979 *1*	− 25	+ 19	—	− 6	− 67	− 6	− 78
2	− 24	+ 14	− 5	− 15	− 10	−10	− 35
3	− 18	+ 18	− 56	− 56	—	−10	− 66
4	− 14	+ 19	− 55	− 51	−182	+12	−222
1980 *1*	− 15	+ 36	—	+ 22	− 5	− 7	+ 10
2	− 17	+ 24	− 5	+ 2	− 12	− 3	− 13
3	− 12	+ 27	—	+ 14	− 9	− 7	− 2
4	− 17	+ 25	− 52	− 44	− 27	−15	− 86
1981 *1*	− 34	+ 13	—	− 22	− 95	−22	−139
2	− 15	+ 21	− 6	− 1	− 98	−10	−109
3	− 15	+ 20	—	+ 5	—	− 7	− 2

[1] Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Components and totals are rounded independently.

Import and export credit[1]

TABLE 11

Not seasonally adjusted

£ million

	Import credit					Export credit						
	Credit received by UK businesses					Credit extended by UK banks						
	Identified long-term[2]	Other	Total	Advance and progress payments	Total	Identified long-term	Other	Total	*of which:* UK banks' lending in sterling	Suppliers' credit[3]	Advance and progress payments	Total
1975	+ 24	+ 65	+ 89	− 30	+ 59	−633	− 49	−682	−682	−129	+234	− 577
1976	− 79	+246	+167	−128	+ 39	−706	−111	−817	−817	−580	+294	−1,103
1977	+ 76	+130	+206	+ 91	+297	−601	+ 13	−588	−578	−315	+268	− 635
1978	− 70	+163	+ 93	+256	+349	−625	+ 60	−565	−358	−490	+135	− 920
1979	−173	+364	+191	−119	+ 72	−436	+ 92	−344	+117	−805	+300	− 849
1980	+ 3	−227	−224	− 14	−238	−808	−115	−923	− 70	− 17	+ 27	− 913
1978 *1*	+ 24	+ 21	+ 45	+126	+171	−124	+ 61	− 63	− 43	−288	+ 40	− 311
2	+ 3	− 8	− 5	+142	+137	−213	−131	−344	−291	−123	+ 40	− 427
3	− 45	− 17	− 62	+ 14	− 48	−153	+105	− 48	+ 4	− 49	+ 25	− 72
4	− 52	+167	+115	− 26	+ 89	−135	+ 25	−110	− 28	− 30	+ 30	− 110
1979 *1*	− 62	+ 17	− 45	− 36	− 81	− 99	+ 13	− 86	− 28	−206	+ 55	− 237
2	− 32	+183	+151	− 45	+106	−107	+ 27	− 80	+ 16	−376	+132	− 324
3	− 26	+ 72	+ 46	− 7	+ 39	− 47	+ 18	− 29	+ 50	+ 42	+ 56	+ 69
4	− 53	+ 92	+ 39	− 31	+ 8	−183	+ 34	−149	+ 79	−265	+ 57	− 357
1980 *1*	+ 37	− 10	+ 27	− 3	+ 24	−192	−103	−295	−103	− 57	+ 5	− 347
2	+ 61	− 24	+ 37	+ 14	+ 51	−151	− 8	−159	+ 32	+ 6	− 56	− 209
3	− 63	− 96	−159	− 45	−204	−246	− 33	−279	− 34	+ 48	+ 22	− 209
4	− 32	− 97	−129	+ 20	−109	−219	+ 29	−190	+ 35	− 14	+ 56	− 148
1981 *1*	− 12	+ 45	+ 33	− 64	− 31	+ 29	+ 67	+ 96	+330	−190	+124	+ 30
2	− 33	+ 53	+ 20	+ 35	+ 55	−303	+109	−194	+111	− 65	− 2	− 261
3	− 35	+153	+118	+ 21	+139	−244	− 58	−302	− 70	−110	+ 30	− 382

[1] Excluding trade credit between 'related' firms. Assets: increase−/decrease+. Liabilities: increase+/decrease−.
[2] Credit on ships, commercial aircraft and North Sea installations.
[3] Includes net credit extended by UK merchants on third-country trade.

Other transactions[1]

TABLE 12

Not seasonally adjusted

£ million

	Other external borrowing or lending[2]						Other transactions			
	Borrowing from banks etc. overseas by									
	Public corporations[3]	Local authorities[3,4]	Total public sector[3]	UK private sector	Bank deposits and lending overseas	Total	Official assets and liabilities (nei)	Other commercial short-term transactions (net)	IMF expenditure and receipts in sterling	Total
1975	+ 56	—	+ 56	+260	—	+ 316	+ 15	+185	—	+200
1976	+ 27	—	+ 27	+240	− 146	+ 121	+ 19	−217	—	−198
1977	+746	+ 4	+750	+318	− 254	+ 813	+ 52	+ 4	—	+ 56
1978	+ 11	+11	+ 22	+710	− 626	+ 106	+ 77	− 40	+14	+ 51
1979	− 18	+11	− 7	+885	− 405	+ 473	+145	−200	−13	− 68
1980	−176	+11	−165	+229	−1,076	−1,012	−150	− 73	—	−223
1978 *1*	+ 34	+ 5	+ 39	+229	− 108	+ 160	+ 89	− 68	—	+ 21
2	+ 14	+ 4	+ 18	+ 88	− 67	+ 39	− 52	− 24	—	− 76
3	+ 9	—	+ 9	+122	− 146	− 15	+ 84	+101	—	+185
4	− 46	+ 2	− 44	+271	− 305	− 78	− 44	− 49	+14	− 79
1979 *1*	− 40	—	− 40	+151	− 35	+ 76	+ 80	− 3	—	+ 77
2	+ 22	—	+ 22	+155	− 165	+ 12	− 47	+219	−13	+159
3	+ 1	—	+ 1	−179	− 76	− 254	− 46	−302	—	−348
4	− 1	+11	+ 10	+758	− 128	+ 639	+158	−114	—	+ 44
1980 *1*	− 96	+ 6	− 90	+ 31	− 538	− 598	−120	− 93	—	−213
2	− 74	—	− 74	+135	− 133	− 71	+ 23	−121	—	− 98
3	+ 2	+ 5	+ 7	−265	+ 134	− 124	+ 20	− 76	—	− 56
4	− 8	—	− 8	+328	− 539	− 219	− 73	+217	—	+144
1981 *1*	− 2	+ 1	− 1	+393	+ 62	+ 454	− 92	− 29	—	−121
2	− 2	+ 2	—	−269	− 290	− 559	+229	+ 93	—	+322
3	+ 13	+ 1	+ 14	—	—	+ 14	+ 63	− 61	—	+ 2

[1] Assets: increase −/ decrease +. Liabilities: increase +/ decrease −.
[2] Net of repayments.
[3] Excluding net foreign currency borrowing under the exchange cover scheme which is included under 'official financing'.
[4] Includes a loan to Northern Ireland Central Government (£1 million in 1981 Q1).

The UK Continental Shelf oil and gas programme[1]

TABLE 13

Not seasonally adjusted

£ million

	Volume of sales		Value of sales		Identifiable balance of payments entries			
	Gas (million terrajoules)	Oil (million tonnes)[2]	Gas	Oil	Import of goods[3]	Imports less exports of services	I.P.D. due abroad[4]	Overseas investment in UKCS etc.[5]
1975	1·4	1·4	190	58	−341	−481	− 23	+ 946
1976	1·5	11·8	258	645	−536	−647	− 24	+1,142
1977	1·6	37·8	317	2,226	−531	−704	− 550	+1,508
1978	1·5	53·1	432	2,805	−185	−543	− 744	+ 791
1979	1·5	77·5	538	5,689	−171	−436	−1,368	+ 694
1980	1·4	79·2	620	8,851	−144	−469	−2,178	+ 771
1978 *1*	0·5	11·2	137	598	− 23	−109	− 153	+ 296
2	0·4	12·9	92	697	−102	−153	− 167	+ 198
3	0·2	13·6	64	707	− 48	−155	− 182	+ 178
4	0·4	15·4	139	803	− 12	−126	− 242	+ 119
1979 *1*	0·6	17·7	182	1,005	− 15	− 87	− 291	+ 179
2	0·3	19·4	110	1,314	− 15	− 94	− 336	+ 200
3	0·2	20·9	78	1,638	− 65	−115	− 373	+ 99
4	0·4	19·5	168	1,732	− 76	−140	− 368	+ 216
1980 *1*	0·5	19·8	197	2,132	− 19	−101	− 562	+ 205
2	0·3	19·5	125	2,222	− 50	−109	− 608	+ 137
3	0·2	19·1	92	2,160	− 26	−116	− 480	+ 322
4	0·4	20·8	206	2,337	− 49	−143	− 528	+ 107
1981 *1*	0·5	22·0	231	2,827	..	− 92	− 537	+ 416
2	0·3	21·8	153	3,041	..	−136	− 457	+ 267
3	0·2	21·9	111	3,082	..	−122	− 521	+ 648

[1] No attempt has been made to measure the impact of the oil and gas programme on the balance of payments accounts. The problems involved are described briefly in Chapter 9 of 'United Kingdom Balance of Payments 1981 Edition' (the 'Pink Book').
[2] Including condensates and petroleum gases.
[3] Identified direct imports of goods for use on UKCS.
[4] Profits of UK subsidiaries of overseas companies earned in respect of their UKCS operations (including profits retained in the United Kingdom); interest paid overseas by public corporations on their borrowing for the UK Continental Shelf programme; and rough estimates of interest paid on foreign currency borrowing from UK banks in respect of the UKCS programme.
[5] Overseas investment for use in the UK Continental Shelf programme (including profits of UK subsidiaries of overseas companies retained in the United Kingdom); foreign currency borrowing from UK banks for use on the Shelf; borrowing abroad by public corporations for use on the Shelf; identified trade credit and progress payments on imports of platforms, rigs, etc.

Official financing[1]

TABLE 14

£ million

	Net transactions with overseas monetary authorities							Foreign currency borrowing:			
	International Monetary Fund[2]				Other monetary authorities[3]						
	UK drawings	UK re-purchases	Other net drawings[4]	Total	Foreign currency	Sterling	Total	by HM Government[5]	by public bodies under exchange cover scheme[7]	Drawings on (+)/ additions to (−) official reserves[6]	Total official financing
1975	—	—	—	—	—	—	—	+423	+ 387	+ 655	+1,465
1976	+1,018	—	—	+1,018	− 20	− 14	− 34	—	+1,791	+ 853	+3,628
1977	+1,525	−412	—	+1,113	—	—	—	+871	+ 243	−9,588	−7,361
1978	—	−948	−68	−1,016	—	—	—	+191	− 378	+2,329	+1,126
1979	—	−596	—	− 596	—	—	—	—	− 250	−1,059	−1,905
1980	—	−140	—	−140	—	—	—	−629	− 312	− 291	−1,372
1978 *1*	—	—	—	—	—	—	—	—	− 219	+ 46	− 173
2	—	−463	−42	−505	—	—	—	+191	− 218	+2,026	+1,494
3	—	—	−26	− 26	—	—	—	—	− 130	− 54	− 210
4	—	−485	—	−485	—	—	—	—	+ 189	+ 311	+ 15
1979 *1*	—	—	—	—	—	—	—	—	+ 76	− 955	− 879
2	—	−522	—	−522	—	—	—	—	− 168	− 68	− 758
3	—	− 36	—	− 36	—	—	—	—	− 109	− 152	− 297
4	—	− 38	—	− 38	—	—	—	—	− 49	+ 116	+ 29
1980 *1*	—	− 36	—	− 36	—	—	—	—	− 196	− 457	− 689
2	—	− 35	—	− 35	—	—	—	—	− 71	− 140	− 246
3	—	− 35	—	− 35	—	—	—	−480	+ 13	+ 223	− 279
4	—	− 34	—	− 34	—	—	—	−149	− 58	+ 83	− 158
1981 *1*	—	− 33	—	− 33	—	—	—	—	+ 33	− 319	− 319
2	—	− 35	—	− 35	—	—	—	−942	− 306	+1,448	+ 165
3	—	− 38	—	− 38	—	—	—	−292	− 128	+1,167	+ 709

[1] From 23 August 1971, valued in sterling at market related rates of exchange.

[2] Components and the total are rounded independently. From July 1972, excludes transactions which affect the UK reserve position in the IMF. UK drawings on the oil facility are included.

[3] Net borrowing from other monetary authorities in the form of foreign currency deposits and assistance with a sterling counterpart, and other special swaps.

[4] Drawings (−) and repurchases (+) in sterling by other countries.

[5] Drawings on (+) and repayments of (−) two euro-dollar facilities, for HM Government to borrow $2,500 million and $1,500 million and a $350 million bond issue in New York.

[6] From July 1972, includes transactions affecting the UK reserve position in the IMF.

[7] Includes loans from the European Investment Bank to the Northern Ireland Central Government (£15 million in 1979 Q1 and £4 million in 1981 Q1) and to British Nuclear Fuels Ltd., (£4 million in 1979 Q1; £4 million in 1980 Q2; £40 million in 1980 Q4 and £17 million in 1981 Q1).

External liabilities and claims of UK banks in foreign currencies[1]

TABLE 15

£ billion

End of period

	Total	Country analysis									Analysis by type of customer		
		EC countries[2]	Other Western Europe	North America	Other developed countries[3]	Eastern Europe	Oil exporting countries[3]	Off-shore banking centres[3]	Other developing countries	Unallocated[4]	Central monetary institutions	Other banks[5]	Other
UK liabilities													
1975	63·4	16·0	13·2	6·8	1·7	0·8	11·2	7·8	5·0	0·9		55·2	8·1
1976	87·3	20·5	15·9	9·3	2·5	1·1	16·6	12·0	7·4	1·9		75·3	12·0
1977	89·3	20·7	17·2	10·8	1·3	0·9	16·6	11·1	8·6	2·2		76·8	12·7
1978	104·6	23·6	20·3	15·0	2·4	1·2	15·0	14·0	10·7	2·5	20·5	67·9	16·1
1979 *1*[7]	104·9	22·4	20·6	14·6	2·6	1·3	15·6	13·0	11·9	3·0	23·6	63·9	17·4
2	108·0	23·4	21·4	16·3	2·8	1·3	15·6	13·0	11·7	2·6	24·1	65·8	18·1
3	121·0	24·4	22·8	20·1	4·3	1·5	19·2	14·6	11·9	2·3	26·5	73·3	21·1
4	126·8	26·5	22·6	20·0	3·8	2·0	20·5	15·5	11·8	4·0	27·6	76·7	22·5
1980 *1*	138·3	27·9	24·7	21·5	5·2	1·3	22·5	18·2	11·3	5·7	26·8	86·3	25·2
2	134·7	26·8	23·8	21·6	4·8	1·2	21·9	18·0	10·9	5·7	26·1	84·7	24·0
3	135·0	25·5	24·2	19·6	5·7	1·3	23·6	18·5	10·7	5·9	26·3	83·9	24·8
4	145·0	29·7	24·7	20·8	7·3	1·7	24·6	20·3	10·8	5·0	24·5	92·5	27·9
1981 *1*	162·4	33·8	24·6	24·5	9·7	1·1	28·0	23·0	11·4	6·1	25·9	103·5	32·9
2	188·6	37·2	29·7	30·9	10·0	1·1	32·0	26·7	13·0	8·0	28·0	121·9	38·7
3	213·8	40·2	32·7	39·3	12·8	1·4	36·2	29·9	13·5	7·6	29·3	137·4	47·1
UK claims													
1975	58·4	15·4	6·5	4·0	9·6	3·0	1·7	12·6	5·6	—		42·6	15·9
1976	81·1	21·3	9·0	6·0	12·1	4·7	3·2	17·0	7·8	—		60·0	21·0
1977	83·0	24·4	10·1	6·9	8·4	4·6	4·8	15·5	8·1	0·1		60·9	22·1
1978	99·4	30·9	11·7	7·3	8·7	5·3	7·0	18·2	10·0	0·2	3·6	69·7	26·1
1979 *1*[7]	98·7	29·4	11·7	7·9	8·7	5·1	7·0	17·3	11·1	0·3	1·9	70·5	26·3
2	102·0	29·6	11·8	9·1	8·9	5·4	7·1	[6]18·2	11·5	0·4	1·9	73·6	26·5
3	114·7	31·5	12·5	12·1	10·8	5·6	7·9	21·8	12·1	0·4	1·7	84·7	28·3
4	121·4	34·3	14·0	13·0	10·6	5·9	8·1	22·2	12·9	0·4	1·7	90·1	29·5
1980 *1*	132·3	35·2	15·9	14·8	12·5	5·9	8·1	24·8	14·7	0·4	2·2	97·6	32·5
2	129·1	35·9	15·1	13·4	12·8	5·7	7·9	23·4	14·6	0·4	1·6	94·5	33·0
3	129·5	35·6	15·6	12·4	14·3	5·7	7·9	22·4	15·2	0·4	1·5	94·0	34·0
4	139·5	38·5	17·4	12·5	16·2	6·0	8·5	23·5	16·4	0·6	1·5	103·0	35·0
1981 *1*	157·2	45·5	17·3	15·5	18·4	6·2	8·4	26·7	18·8	0·5	1·9	116·2	39·0
2	184·3	51·6	20·4	18·8	19·9	7·0	10·2	33·0	22·7	0·7	1·7	135·9	46·7
3	209·5	57·6	22·8	22·8	24·3	7·6	11·8	36·7	25·4	0·7	2·6	149·1	57·8
Net liabilities[8]													
1975	4·9	0·6	6·7	2·7	— 7·9	—2·2	9·5	— 4·8	— 0·6	0·9		12·7	— 7·7
1976	6·2	— 0·8	6·9	3·3	— 9·6	—3·5	13·5	— 5·0	— 0·4	1·9		15·2	— 9·0
1977	6·3	— 3·7	7·1	3·8	— 7·1	—3·7	11·8	— 4·5	0·5	2·1		15·7	— 9·4
1978	5·2	— 7·4	8·5	7·6	— 6·3	—4·1	7·9	— 4·1	0·7	2·3	17·0	— 1·7	—10·0
1979 *1*[7]	6·2	— 7·0	8·9	6·6	— 6·1	—3·9	8·6	— 4·3	0·8	2·6	21·7	— 6·6	— 8·9
2	6·0	— 6·2	9·6	7·2	— 6·1	—4·1	8·4	— 5·3	0·3	2·2	22·2	— 7·7	— 8·5
3	6·3	— 7·1	10 2	8·0	— 6·5	—4·2	11·3	— 7·1	— 0·2	1·9	24·9	— 11·4	— 7·2
4	5·4	— 7·8	8·6	6·9	— 6·8	—3·9	12·4	— 6·6	— 1·1	3·6	25·9	— 13·5	— 7·0
1980 *1*	5·9	— 7·3	8·8	6·7	— 7·3	—4·7	14·4	— 6·7	— 3·4	5·2	24·6	— 11·3	— 7·4
2	5·7	— 9·1	8·7	8·1	— 7·9	—4·5	14·1	— 5·3	— 3·6	5·3	24·5	— 9·8	— 9·0
3	5·5	—10·2	8·5	7·3	— 8·5	—4·4	15·6	— 3·9	— 4·5	5·5	24·7	— 10·1	— 9·2
4	5·5	— 8·8	7·3	8·3	— 8·9	—4·3	16·1	— 3·2	— 5·6	4·4	23·0	— 10·5	— 7·0
1981 *1*	5·2	—11·6	7·3	9·1	— 8·6	—5·1	19·6	— 3·7	— 7·4	5·6	24·0	— 12·7	— 6·1
2	4·2	—14·4	9·3	12·1	— 9·9	—5·9	21·8	— 6·3	— 9·7	7·3	26·4	— 14·0	— 8·1
3	4·3	—17·3	9·9	16·6	—11·5	—6·2	24·4	— 6·7	—11·9	7·0	26·6	— 11·7	—10·7

[1] Including liabilities and claims of certain other financial institutions. These amounts outstanding include revaluations in sterling terms, liabilities incurred by UK banks in respect of borrowing by public bodies under the exchange cover scheme and HM Government drawings on two euro-dollar facilities, and UK banks' claims in respect of export credit in foreign currencies; thus they are not fully comparable with the transactions shown in Table 7.

[2] Greece is included as an EC country from the beginning of 1981

[3] 'Oil.-exporting countries' and 'offshore banking centres' are as defined in Table 16. 'Other developed countries' here comprises only Australia, Japan, New Zealand and South Africa.

[4] Including international organisations and unallocated items.

[5] Including unallocated items.

[6] An improvement in the coverage of UK financial institutions reporting holdings of US dollar certificates of deposit has reduced UK external liabilities for end-1977 onwards (at end-1977 the reduction was about £50 million).

[7] The figures for March 1979 are not consistent with those for earlier periods because of coverage differences. A comparable figure for total net liabilities at the end of 1978 would be about £300 million higher than that shown.

[8] Minus sign indicates that claims exceed liabilities.

External liabilities and claims in sterling: geographical analysis

TABLE 16

£ million

End of period

	EC countries[1]	Other developed countries[2]	Eastern Europe	Off-shore banking centres[3]	Oil-exporting countries[4]	Other developing countries	International organisations	Unallocated	Total	*of which:* Overseas banks[5]
Exchange reserves held by overseas monetary authorities[6]										
1975	124		411		2,838	322	386	19	4,100	
1976	186		252		1,421	328	436	16	2,639	
1977	174		234		1,360	333	703	31	2,835	
1978	171		213		1,006	325	875	20	2,610	
1979 *1*	144		242		1,069	385	881	27	2,748	
2	189		256		1,139	409	819	35	2,847	
3	222		293		1,335	458	917	34	3,274	
4	163		307		1,205	506	1,102	47	3,320	
1980 *1*	173		307		1,670	508	1,069	59	3,785	
2	164		461		1,902	559	997	57	4,140	
3	167		542		2,105	588	1,018	77	4,496	
4	158		509		2,236	587	1,108	69	4,669	
1981 *1*	172		412		2,454	504	1,120	88	4,750	
2	189		380		2,591	581	1,101	76	4,918	
3	228		443		2,547	534	1,208	51	5,011	
Banking and money market liabilities to holders other than OMA's										
1975	774	864	65	229	466	815		16	3,229	1,156
1976	899	935	58	231	497	852		12	3,484	1,128
1977	1,309	1,253	59	411	747	1,180		6	4,965	1,876
1978	1,265	1,336	68	350	983	1,246		10	5,258	1,695
1979 *1*	1,309	1,511	69	414	1,107	1,302		17	5,729	1,846
2	1,200	1,705	71	500	1,236	1,368		8	6,088	1,752
3	1,250	1,816	76	549	1,344	1,491		10	6,536	1,962
4	1,781	2,077	93	708	1,588	1,583		8	7,838	2,740
1980 *1*	1,523	2,122	74	834	1,769	1,675		10	8,007	2,742
2	1,879	2,352	87	900	2,041	1,743		8	8,990	3,367
3	2,072	2,617	85	992	2,166	1,889		13	9,814	3,748
4	2,424	2,708	115	1,081	2,003	1,958		26	10,310	4,177
1981 *1*	2,767	2,609	79	1,095	2,053	1,999		10	10,612	4,334
2	2,963	2,913	79	1,295	2,180	2,069		12	11,511	4,956
3	3,159	3,264	148	1,491	2,219	2,234		16	12,531	5,389
Claims of UK banks[7]										
1975	577	1,609	320	302	646	1,245	3	6	4,708	419
1976	720	2,023	471	344	859	1,448	5	8	5,878	562
1977	1,051	1,811	561	329	1,083	1,558	—	9	6,402	640
1978	1,281	1,959	689	421	1,216	1,693	—	14	7,273	723
1979 *1*	1,202	1,916	713	440	1,198	1,716	—	16	7,201	736
2	911	1,940	714	482	1,169	1,748	—	18	6,982	555
3	941	1,965	742	486	1,110	1,756	1	19	7,020	660
4	992	1,856	752	481	1,089	1,757	1	22	6,950	700
1980 *1*	1,169	2,025	804	514	1,083	1,742	4	24	7,365	969
2	1,588	2,134	782	594	1,023	1,753	—	18	7,892	1,473
3	1,891	2,321	798	725	1,059	1,737	33	17	8,581	2,061
4	2,454	2,441	840	820	1,111	1,750	33	25	9,474	2,828
1981 *1*	2,977	2,764	864	1,140	806	1,772	35	23	10,381	3,643
2	2,961	2,933	907	1,250	820	1,776	37	14	10,698	3,711
3	3,046	3,299	937	1,393	880	1,952	45	18	11,570	4,092

[1] Greece is included as an EC country from the beginning of 1981.

[2] Western Europe other than EC countries; North America; Australia, Japan, New Zealand and South Africa.

[3] Bahamas, Barbados, Bermuda, British Virgin Islands, Cayman Islands, Hong Kong, Lebonon, Liberia, Netherlands Antilles, Panama, Singapore, Vanuatu, and certain other West Indies.

[4] Algeria, Bahrain, Brunei, Equador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Oman, Qatar, Saudi Arabia, Trinidad and Tobago, United Arab Emirates and Venezuela.

[5] In the liabilities section this comprises deposits placed with banks in the UK by banks abroad on their own account and also deposits from banks' trustee accounts, which may originate from non-banks: certificates of deposit are excluded. In the claims section this comprises only claims on banks' (other than OMA's) abroad in respect of loans, advances and balances; bills and acceptances are excluded.

[6] Sterling reserves of overseas countries and international organisations (other than the IMF) as reported by UK banks etc.

[7] Loans, advances and balances; and bills and acceptances, many of which represent export credit including those which have been refinanced (see Table 11).

External sterling liabilities: analysis by component

TABLE 17

£ million

End of period

	Exchange reserves in sterling held by central monetary institutions[1]							Banking and money market liabilities to holders other than CMI's		
		Banking and money market liabilities								
		External deposits with:								
	British government stocks[2]	Banks and other institutions[3]	Local authorities	Treasury bills	Total	Non-interest bearing notes	Total exchange reserves	External deposits with banks and other institutions[3]	Treasury bills	Total
1975	1,143	1,365	332	1,069	2,766	191	4,100	3,201[4]	28	3,229
1976	1,103	719	159	448	1,326	210	2,639	3,470	14	3,484
1977	1,323	852	28	334	1,214	298	2,835	4,945	20	4,965
1978	1,102	602	44	431	1,077	431	2,610	5,253	5	5,258
1979 *1*	973	699	85	510	1,294	481	2,748	5,718	11	5,729
2	979	702	11	695	1,408	460	2,847	6,065	23	6,088
3	1,190	724	15	893	1,632	452	3,274	6,511	25	6,536
4	1,280	871	18	512	1,401	639	3,320	7,771	67	7,838
1980 *1*	1,326	1,017	25	794	1,836	623	3,785	7,978	29	8,007
2	1,774	1,202	25	566	1,793	573	4,140	8,958	32	8,990
3	2,211	1,183	38	501	1,722	563	4,496	9,785	29	9,814
4	2,348	1,272	22	436	1,730	591	4,669	10,292	18	10,310
1981 *1*	2,243	1,314	37	477	1,828	679	4,750	10,597	15	10,612
2	2,388	1,361	34	527	1,922	608	4,918	11,497	14	11,511
3	2,436	1,380	24	521	1,925	650	5,011	12,516	15	12,531

[1] Sterling reserves of overseas countries and international organisations (other than the IMF) as reported by UK banks etc.

[2] Government stocks held by CMI's are revalued annually at mid-November at current market prices. This altered the fourth quarter values each year as follows: 1975 + 83, 1976 − 54, 1977 + 215, 1978 − 106, 1979 − 69 and 1980 + 122.

[3] Includes sterling certificates of deposit.

[4] Improvements in coverage in the second quarter of 1975 added some £180 million.

Official financing liabilities and official reserves [1, 2, 3]

TABLE 18

£ million

End of period

	Other foreign currency borrowing			Official reserves					
				£ million	$ million				
	IMF[4]	By HM government	By public sector under exchange cover scheme	Total official financing liabilities	Total	Total	Gold	IMF special drawing rights	Convertible currencies	Reserve position in the IMF
1975	—	1,235	3,174	4,409	2,683	5,429	888	840	3,335	366
1976	1,205	1,469	5,646	8,320	2,426	4,129	888	728	2,513	—
1977	2,100	2,085	5,219	9,404	10,715	20,557	938	604	19,015	—
1978	1,055	2,131	4,579	7,765	7,689	15,694	964	500	14,230	—
1979 *1*[2]	1,042	2,105	4,584	7,731	8,446	17,454	965	918	15,571	—
	1,113	2,105	4,791	8,009	10,620	21,947	4,081	981	16,885	—
2	557	2,003	4,396	6,956	10,163	22,070	4,085	1,074	16,911	—
3[5]	512	1,975	4,226	6,713	10,305	22,692	3,265	1,114	18,313	—
4	471	1,955	4,129	6,555	10,129	22,538	3,259	1,245	18,034	—
1980 *1*	447	2,010	4,044	6,501	11,032	23,874	3,368	1,461	18,814	231
	433	2,010	3,989	6,432	12,460	26,963	6,996	1,418	18,325	224
2	365	1,846	3,592	5,803	11,952	28,172	6,958	977	19,500	737
3	327	1,340	3,559	5,226	11,572	27,637	6,947	985	18,855	850
4	294	1,191	3,531	5,016	11,487	27,476	6,987	560	18,621	1,308
1981 *1*	279	1,271	3,798	5,348	12,698	28,469	7,005	1,135	19,021	1,308
	273	1,271	3,761	5,305	12,583	28,212	7,277	1,110	18,546	1,279
2	276	464	4,022	4,762	13,223	25,631	7,279	1,030	15,975	1,347
3	254	193	4,170	4,617	13,088	23,696	7,309	1,045	13,848	1,494

[1] Until end-March 1979 convertible currencies are valued in dollars at middle or central rates; Special Drawing Rights are valued at SDR1 = $1·20635; gold is valued at $42·2222 per fine ounce.

[2] From end-March 1979 the rates at which the reserves are valued in dollars are revised annually. Convertible currencies and SDRs are valued at the average of the middle market closing rates in the three months to end-March, or (from end-March 1980) at their actual dollar value on the last working day of March, whichever is the lower. Gold is valued at the average of the London fixing prices for the three months up to end-March less a 25 per cent discount or (from end March 1980) at 75 per cent of its final fixing price on the last working day of March, whichever is lower.

[3] Data denominated or expressed in dollars are converted to sterling at end-period middle market rates.

[4] Drawings from the IMF, excluding interest and charges and net of repayments to and drawings from the IMF by other countries in sterling. Excludes transactions which affect the UK reserve position in the Fund.

[5] From July 1979 reserve holdings include European Currency Units acquired from swaps with the European Monetary Co-operation Fund. As shown above, these are included within convertible currencies and are valued at the average of the $/ECU or $/European Unit of Account exchange rates in the 3 months to end-March or at their actual dollar value on the last working day of March, whichever is lower.

Employment in the public and private sectors 1975 to 1981*

SIMON BRISCOE, Central Statistical Office

The Labour market

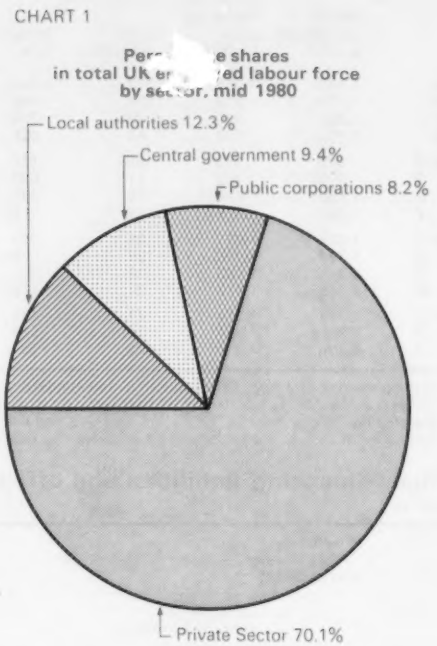
The total employed labour force in the United Kingdom increased from 1976 to 1979, but by mid-1980 had fallen to just below the mid-1976 level. The provisional estimates for mid-1981 suggest a further drop, somewhat larger, in the region of 5 per cent over the year. This recent contraction affected most types of employment, although there have been shifts between the sectors and the industries. It follows some years of overall stability.

Analysis by sector

Out of the employed labour force of 24·7 million at mid-1980, about 17·3 million (70·1 per cent) were in the private sector. Of the remaining 7·4 million, 2·0 million (8·2 per cent) were employed by public corporations, 2·3 million (9·4 per cent) by central government and 3·0 (12·3 per cent) by local authorities (see Chart 1).† Within general government (i.e. public services) education and the National Health Service were the largest employers, together accounting for a little over half of the 5·4 million employees.

In the public sector, employment in public corporations fell by 29 thousand (1·4 per cent) between mid-1979 and mid-1980. Over the same period, local authority employment fell by 33 thousand (1·1 per cent). The fall in local authority employment is the result of decreases in education and 'other local authority' employment and smaller increases in social services and police. This appears to indicate a change in the trend, as all local authority sectors experienced growth over the period mid-1978 to mid-1979

CHART 1



* An article in Economic Trends, No. 313, November 1979 provided a wider perspective of employment in the United Kingdom from 1961 to 1978 analysed by sector and by broad industry group. The present article updates earlier analyses.
† The definitions and coverage of the sectors are given in Appendix 2.

Employed labour force analysed by sector

TABLE A

United Kingdom

	Changes in numbers employed at mid-year				Numbers employed	Changes in numbers employed at mid-year		Numbers employed
	1975 to 1980		1979 to 1980		Mid-year 1980	1980 to 1981[1]		Mid-year 1981[1]
	Thousands	Percentage change	Thousands	Percentage change	Thousands	Thousands	Percentage change	Thousands
Total employed labour force	−212	− 0·9	−400	−1·6	24,720	−1,295	−5·2	23,425
Private sector	−342	− 1·9	−346	−2·0	17,330	..	..	..
Public sector	+130	+ 1·8	− 54	−0·7	7,390	..	..	..
Public corporations	+ 1	—	− 29	−1·4	2,036	..	..	..
General government	+ 53	+ 1·0	− 25	−0·5	5,354	− 26	−0·5	5,328
Central government	+ 76	+ 3·4	+ 8	+0·3	2,327	+ 30	+1·3	2,357
HM Forces and Women's Services	− 13	− 3·9	+ 9	+2·9	323	+ 11	+3·4	334
National Health Service	+135	+12·4	+ 31	+2·6	1,228	+ 36	+2·9	1,264
Other central government	− 46	− 5·6	− 32	−4·0	776	− 17	−2·2	759
Local authorities	+ 53	+ 1·8	− 33	−1·1	3,027	− 56	−1·9	2,971
Education	+ 2	+ 0·1	− 31	−2·0	1,556	− 45	−2·9	1,511
Health and social services	+ 37	+12·0	+ 2	+0·6	346	+ 3	+0·9	349
Police	+ 14	+ 7·7	+ 6	+3·2	195	+ 4	+2·0	199
Other local authorities	—	—	− 10	−1·1	930	− 18	−1·9	912

[1] Preliminary estimates.

as they had done over most of the preceding two decades. The total number employed in central government rose by 8 thousand (0·3 per cent), the reduction in the non-trading Civil Service (32 thousand) being offset by the expansion of the health service and armed forces (40 thousand).

Preliminary estimates‡ suggest that between mid-1980 and mid-1981 total general government employment fell by an amount similar to the previous year. However, compared with the previous year both the fall in local authority employment and the rise in central government were greater. The direction of change of all the components of central government and local authority employment was unaltered.

Table A and Appendix 1 provide a more detailed analysis of employment.

Analysis of public sector employment by sex and industry

Table B gives an approximate breakdown of employment in the public sector in mid-1980. At mid-1980 women formed nearly three fifths of those employed in general government, but just over two fifths of full-time employees. This reflects the large number of women working part-time in education and health. Men outnumber women in the forces, 'other central government', 'other local authority' and police categories, while women outnumber men in the NHS, education and health and social services categories. Within public corporations women form only one seventh of the workforce; it is a part of the public sector with a very small number of part-time jobs.

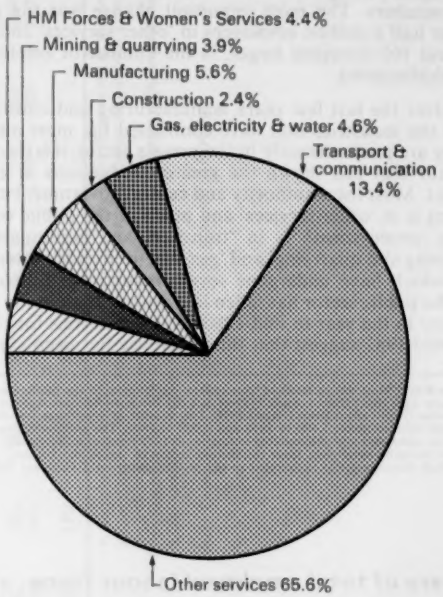
Chart 2 shows the approximate proportions of public sector employment in the main industry groups in mid-1980. About two-thirds of public sector employment is in the 'other services' category, about one seventh in transport and communications, and about one sixth in production industries (mining and quarrying, manufacturing, construction and gas, electricity and water).

Analysis of total employed by sector and industry

Between mid-1979 and mid-1980 employment levels in most industries remained steady; there were small drops in

CHART 2

Analysis of public sector employment by industry group, mid 1980



Components do not total 100 because of rounding and the exclusion of agriculture, forestry and fishing (0.1%)

‡ Based upon data which cover nearly 95 per cent of the general government sector – details shown in Appendix 1, Table 1.

United Kingdom public sector employment mid-1980

TABLE B

	Millions						
		Male			Female		
	Total	Total	Full-time	Part-time	Total	Full-time	Part-time
Total public sector	7·39	4·00	3·86	0·14	3·40	1·89	1·51
Public corporations	2·03	1·73	1·72	0·01	0·31	0·25	0·06
Nationalised industries	1·74	1·49	1·48	0·01	0·26	0·21	0·05
Other	0·29	0·24	0·24	—	0·05	0·04	0·01
General government	5·36	2·27	2·14	0·13	3·09	1·64	1·45
Central government	2·33	1·04	1·01	0·03	1·29	0·82	0·47
HM Forces and Women's Services	0·32	0·31	0·31	—	0·01	0·01	—
National Health Service	1·23	0·28	0·25	0·03	0·95	0·51	0·44
Other	0·78	0·45	0·45	—	0·33	0·30	0·03
Local authorities	3·03	1·23	1·13	0·10	1·80	0·82	0·98
Education	1·55	0·44	0·37	0·07	1·11	0·49	0·62
Health and Social Services	0·35	0·04	0·04	—	0·31	0·12	0·19
Police (including civilians)	0·19	0·15	0·15	—	0·04	0·04	—
Other	0·94	0·60	0·57	0·03	0·34	0·17	0·17

Note: Components may not add to totals because of rounding.

construction and 'other services' and a large drop of over 350 thousand in manufacturing. Due largely to the falls in these three industries the total of employees in employment at mid-1980 had returned to just below the mid-1976 level. Over the five year period mid-1975 to mid-1980, all industrial categories except 'other services' had a workforce declining in numbers. The most important change was the gain of over half a million employees in 'other services' and a loss, about 100 thousand larger, in the number of employees in manufacturing.

Over the last few years manufacturing and construction are the industries that have contracted the most and since they are predominantly in the private sector, it is the private sector that has shown the greatest reductions in employment. Most local authority and central government employment is in 'other services' and much of the public corporation employment§ is in 'transport and communication', 'mining and quarrying' and 'gas, electricity and water', none of which have undergone severe reductions. Employment in the public sector has fallen less sharply than in the private sector in the year to mid-1980; first indications for the year to mid-1981 suggest that this difference has been sustained.

The Royal Mint was reclassified from central government to the public corporations sector with effect from 1 April 1975 as was the Property Services Agency (Supplies Division) with effect from 1 April 1976. The number of employees transferred as a result totalled about 1,400 in 1975 and 4,000 in 1976. The nationalisation of much of the aerospace and shipbuilding industries in 1977 resulted in the transfer of about 150 thousand employees from the private sector to the public corporations total. British Aerospace was reclassified to the private sector on 4 February 1981.

Changes in employed labour force: analysis by industry

TABLE C

	United Kingdom		
	Changes in numbers employed at mid-year: thousands		
	1975 to 1980	1979 to 1980	1980 to 1981[1]
Total employed labour force	−212	−400	−1,295
HM Forces and Women's Services	− 13	+ 9	+ 11
Total civilian employment	−199	−409	−1,306
Civilian employment:			
Primary—			
Agriculture, forestry and fishing	− 26	+ 4	− 11
Mining and quarrying	− 8	− 2	− 5
Secondary—			
Manufacturing	−671	−357	− 757
Construction	− 47	− 25	− 137
Gas, electricity and water	− 6	+ 1	− 8
Tertiary—			
Transport and communication	− 19	+ 5	− 46
Other services	+579	− 34	− 340

Note: Components may not add to totals because of rounding.
[1] Provisional.

Share of total employed labour force: analysis by sector and industry

TABLE D

	United Kingdom						
	Mid-year: percentages						
	1975	1976	1977	1978	1979	1980	1981[1]
HM Forces and Women's Services	1·3	1·4	1·3	1·3	1·3	1·3	1·4
Total civilian employment	98·7	98·5	98·7	98·7	98·7	98·7	98·6
Private sector	70·9	70·4	70·2	70·3	70·4	70·1	..
Public sector	27·8	28·2	28·5	28·4	28·4	28·6	..
Civilian employment:							
Agriculture, forestry and fishing	2·7	2·7	2·6	2·6	2·5	2·6	2·7
Private sector	2·7	2·7	2·6	2·6	2·5	2·6	..
Public sector	—	—	—	—	—	—	..
Production industries	40·2	39·4	39·3	39·0	38·5	37·6	35·8
Private sector	35·4	34·7	34·1	33·8	33·5	32·6	..
Public sector	4·8	4·7	5·2	5·2	5·0	5·0	..
Transport and communications	6·4	6·3	6·2	6·2	6·2	6·4	6·5
Private sector	2·2	2·2	2·3	2·3	2·4	2·4	..
Public sector	4·2	4·1	3·9	3·9	3·8	4·0	..
Other services	49·4	50·3	50·5	50·9	51·5	52·2	53·6
Private sector	30·6	30·9	31·2	31·6	32·1	32·6	..
Public sector	18·8	19·4	19·3	19·3	19·4	19·6	..

Note: Components may not add to totals because of rounding.
[1] Provisional.

APPENDIX 1

UK public sector employment 1975-1981 by major categories[1]

TABLE 1

	Thousands														
	General government														
	Central government				Local authorities							Public corporations			
Mid-year	HM Forces and women's services	National health service[2]	Other central government	Total central government	Education	Health and social services	Construction	Police (incl. civilians)	Other local authorities	Total local authorities	Total	Nationalised industries (incl. Post Office)	Other public corporations	Total public corporations	Total public sector
1975	336	1,093	822[3]	2,251[3]	1,554	309	164	181	766	2,974	5,225	1,751	284[3]	2,035[3]	7,260
1976	336	1,146	832[3]	2,314[3]	1,568	319	165	187	777	3,016	5,330	1,680	290[3]	1,980[3]	7,310
1977	327	1,155	823	2,305	1,556	322	155	184	767	2,984	5,289	1,803[4]	286	2,089[4]	7,378[4]
1978	318	1,175	814	2,307	1,563	334	155	183	762	2,997	5,304	1,774	287	2,061	7,365
1979	314	1,197	808	2,319	1,587	344	156	189	784	3,060	5,379	1,777	288	2,065	7,444
1980	323	1,228	776[6]	2,327[6]	1,556	346	152	195	778	3,027	5,354	1,744	292	2,036	7,390
1981[5]	334	1,264	759	2,357	1,511	349	152	199	760	2,971	5,328	..	..	..	..

[1] Appendix 2 gives details of the definitions and coverage of the sectors and sources of the statistics and major changes in them between 1975 and 1981.

[2] Because of the effects of the reorganisation of the National Health Service in Great Britain on 1 April 1974 the figures for 1975 are subject to some undercounting and may not be fully compatible with those for later years.

[3] The Royal Mint, and Property Services Agency (Supplies Division) were reclassified to public corporations from 1975 and 1976 respectively.

[4] Most of the aerospace and shipbuilding industries were nationalised in 1977, resulting in the transfer of about 150,000 from the private sector.

[5] Preliminary estimates based upon data covering nearly 95 per cent of the general government sector which should not be regarded as accurate to the last digit shown. Comparable estimates for public corporations are not yet available.

[6] The establishment of HMSO from 1 April 1980 as a trading body implies the transfer of about 6,000 to public corporations.

Note: Components may not add to totals because of rounding.

Employment by sector and by industry group[1], United Kingdom

TABLE 2

	Total employed	Total employees in employment	Private sector						Public corporations		Central government		Local authorities	
			Total		Self-employed persons[2]		Employees							
	Thousands	Thousands	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]
At mid-year 1975														
Employed labour force	24,932		17,672	*70·9*	1,886	*7·6*	15,786	*63·3*	2,035	*8·2*	2,251	*9·0*	2,974	*11·9*
HM Forces and Women's Services	336		—	—	—	—	—	—	—	—	336	*100·0*	—	—
Civilian employment	24,596	22,710	17,672	*71·8*	1,886	*7·7*	15,786	*64·2*	2,035	*8·3*	1,915	*7·8*	2,974	*12·1*
Agriculture, forestry and fishing	664	397	654	*98·5*	267	*40·2*	387	*58·3*	—	—	10	*1·5*	—	—
Mining and quarrying	353	352	51	*14·4*	1	*0·3*	50	*14·2*	302	*85·6*	—	—	—	—
Manufacturing	7,611	7,490	7,270	*95·5*	121	*1·6*	7,149	*93·9*	284	*3·7*	57	*0·7*	—	—
Construction[4]	1,700	1,314	1,508	*88·7*	386	*22·7*	1,122	*66·0*	13	*0·8*	15	*0·9*	164	*9·6*
Gas, electricity and water	353	353	2	*0·6*	—	—	2	*0·6*	348	*98·6*	2	*0·6*	1	*0·3*
Transport and communication	1,596	1,518	556	*34·8*	78	*4·9*	478	*29·9*	1,004	*62·9*	—	—	36	*2·3*
Other services	12,319	11,286	7,631	*61·9*	1,033	*8·4*	6,598	*53·5*	84	*0·7*	1,831	*14·9*	2,773	*22·5*
At mid-year 1976[5]														
Employed labour force	24,765		17,455	*70·5*	1,886	*7·6*	15,569	*62·9*	1,980	*8·0*	2,314	*9·3*	3,016	*12·2*
HM Forces and Women's Services	336		—	—	—	—	—	—	—	—	336	*100·0*	—	—
Civilian employment	24,429	22,543	17,455	*71·4*	1,886	*7·7*	15,569	*63·7*	1,980	*8·1*	1,978	*8·1*	3,016	*12·4*
Agriculture, forestry and fishing	660	393	650	*98·5*	267	*40·5*	383	*58·0*	—	—	10	*1·5*	—	—
Mining and quarrying	349	348	53	*15·2*	1	*0·3*	52	*14·9*	296	*84·8*	—	—	—	—
Manufacturing	7,367	7,246	7,039	*95·5*	121	*1·6*	6,918	*93·9*	271	*3·7*	57	*0·8*	—	—
Construction[4]	1,695	1,309	1,502	*88·6*	386	*22·8*	1,116	*65·8*	12	*0·7*	16	*1·0*	165	*9·7*
Gas, electricity and water	353	353	10	*2·8*	—	—	10	*2·8*	335	*94·9*	2	*0·6*	6	*1·7*
Transport and communication	1,553	1,475	547	*35·2*	78	*5·0*	469	*30·2*	973	*62·6*	—	—	33	*2·2*
Other services	12,452	11,412	7,654	*61·5*	1,033	*8·3*	6,619	*53·2*	93	*0·7*	1,893	*15·2*	2,812	*22·6*
At mid-year 1977[5]														
Employed labour force	24,832		17,454	*70·3*	1,886	*7·6*	15,568	*62·7*	2,089	*8·4*	2,305	*9·3*	2,984	*12·0*
HM Forces and Women's Services	327		—	—	—	—	—	—	—	—	327	*100·0*	—	—
Civilian employment	24,505	22,619	17,454	*71·2*	1,886	*7·7*	15,568	*63·5*	2,089	*8·5*	1,978	*8·1*	2,984	*12·2*
Agriculture, forestry and fishing	655	388	645	*98·5*	267	*40·8*	378	*57·7*	—	—	10	*1·5*	—	—
Mining and quarrying	351	350	59	*16·8*	1	*0·3*	58	*16·5*	292	*83·2*	—	—	—	—
Manufacturing	7,413	7,292	6,938	*93·6*	121	*1·6*	6,817	*92·0*	421	*5·7*	54	*0·7*	—	—
Construction[4]	1,656	1,270	1,471	*88·8*	386	*23·3*	1,085	*65·5*	14	*0·8*	16	*1·0*	155	*9·4*
Gas, electricity and water	347	347	9	*2·6*	—	—	9	*2·6*	330	*95·1*	2	*0·6*	6	*1·7*
Transport and communication	1,546	1,468	571	*36·9*	78	*5·0*	493	*31·9*	942	*60·9*	—	—	33	*2·1*
Other services	12,535	11,502	7,759	*61·9*	1,033	*8·2*	6,726	*53·7*	90	*0·7*	1,896	*15·1*	2,790	*22·3*

Note: Components may not add to totals because of rounding.

[1] Industries are classified according to the Standard Industrial Classification, 1968.

[2] With or without employees.

[3] Percentage of total employed in the industry.

[4] The figures for construction are consistent with those published by the Department of Employment. They differ from estimates of construction employees in employment and self-employed persons in Great Britain published by the Department of the Environment (for example, in Table 10 of *Housing and Construction Statistics*) which include construction workers in building and civil engineering establishments run by public authorities whose major activities are classified to other industries (for example national or local government service) under the Standard Industrial Classification.

[5] Provisional, using June 1975 estimates of self-employed.

Employment by sector and by industry group[1], United Kingdom

TABLE 2 *(continued)*

	Total employed	Total employees in employment	Private sector						Public corporations		Central government		Local authorities	
			Total		Self-employed persons[2]		Employees							
	Thousands	Thousands	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]	Thousands	*Percent.*[3]
At mid-year 1978[5]														
Employed labour force	24,960		17,595	*70·5*	1,886	*7·6*	15,709	*62·9*	2,061	*8·3*	2,307	*9·2*	2,997	*12·0*
HM Forces and Women's Services	318		—	—	—	—	—	—	—	—	318	*100·0*	—	—
Civilian employment	24,642	22,756	17,595	*71·4*	1,886	*7·7*	15,709	*63·7*	2,061	*8·4*	1,989	*8·1*	2,997	*12·1*
Agriculture, forestry and fishing	649	382	639	*98·5*	267	*41·2*	372	*57·3*	—	—	10	*1·5*	—	—
Mining and quarrying	354	353	67	*18·9*	1	*0·3*	66	*18·6*	287	*81·1*	—	—	—	—
Manufacturing	7,378	7,257	6,906	*93·6*	121	*1·6*	6,785	*92·0*	415	*5·6*	57	*0·8*	—	—
Construction[4]	1,649	1,263	1,466	*88·9*	386	*23·4*	1,080	*65·5*	13	*0·8*	15	*0·9*	155	*9·4*
Gas, electricity and water	340	340	3	*0·8*	—	—	3	*0·8*	329	*96·8*	2	*0·6*	6	*1·8*
Transport and communication	1,561	1,483	600	*38·4*	78	*5·0*	522	*33·4*	929	*59·5*	—	—	32	*2·1*
Other services	12,711	11,678	7,914	*62·2*	1,033	*8·1*	6,881	*54·1*	88	*0·7*	1,905	*15·0*	2,804	*22·1*
At mid-year 1979[5],[6]														
Employed labour force	25,120		17,676	*70·4*	1,886	*7·5*	15,790	*62·9*	2,065	*8·2*	2,319	*9·2*	3,060	*12·2*
HM Forces and Women's Services	314		—	—	—	—	—	—	—	—	314	*100·0*	—	—
Civilian employment	24,806	22,920	17,676	*71·3*	1,886	*7·6*	15,790	*63·7*	2,065	*8·3*	2,005	*8·1*	3,060	*12·3*
Agriculture, forestry and fishing	634	367	624	*98·4*	267	*42·1*	357	*56·3*	—	—	10	*1·6*	—	—
Mining and quarrying	347	346	62	*17·9*	1	*0·3*	61	*17·6*	285	*82·1*	—	—	—	—
Manufacturing	7,297	7,176	6,835	*93·7*	121	*1·7*	6,714	*92·0*	405	*5·5*	57	*0·8*	—	—
Construction[4]	1,678	1,292	1,496	*89·2*	386	*23·0*	1,110	*66·2*	12	*0·7*	14	*0·8*	156	*9·3*
Gas, electricity and water	346	346	4	*1·2*	—	—	4	*1·2*	334	*96·5*	2	*0·6*	6	*1·7*
Transport and communication	1,572	1,494	602	*38·3*	78	*5·0*	524	*33·3*	938	*59·7*	—	—	32	*2·0*
Other services	12,932	11,899	8,053	*62·3*	1,033	*8·0*	7,020	*54·3*	91	*0·7*	1,922	*14·8*	2,866	*22·2*
At mid-year 1980[5],[7]														
Employed labour force	24,720		17,330	*70·1*	1,886	*7·6*	15,444	*62·5*	2,036	*8·2*	2,327	*9·4*	3,027	*12·3*
HM Forces and Women's Services	323		—	—	—	—	—	—	—	—	323	*100·0*	—	—
Civilian employment	24,397	22,511	17,330	*71·0*	1,886	*7·7*	15,444	*63·3*	2,036	*8·4*	2,004	*8·2*	3,027	*12·4*
Agriculture, forestry and fishing	638	371	628	*98·4*	267	*41·8*	361	*56·6*	—	—	10	*1·6*	—	—
Mining and quarrying	345	344	59	*17·1*	1	*0·3*	58	*16·8*	286	*82·9*	—	—	—	—
Manufacturing	6,940	6,819	6,524	*94·0*	121	*1·7*	6,403	*92·3*	369	*5·3*	47	*0·7*	—	—
Construction[4]	1,653	1,267	1,479	*89·5*	386	*23·4*	1,093	*66·1*	9	*0·5*	13	*0·8*	152	*9·2*
Gas, electricity and water	347	347	4	*1·2*	—	—	4	*1·2*	335	*96·5*	2	*0·6*	6	*1·7*
Transport and communication	1,577	1,499	586	*37·2*	78	*5·0*	508	*32·2*	959	*60·8*	—	—	32	*2·0*
Other services	12,898	11,865	8,051	*62·4*	1,033	*8·0*	7,018	*54·4*	78	*0·6*	1,932	*15·0*	2,837	*22·0*

For footnotes 1, 2, 3, 4, 5 see page 98.

[6] Provisional using provisional estimates of employees in Great Britain and Northern Ireland at June 1979.

[7] Provisional using provisional estimates of employees in Great Britain and Northern Ireland at June 1980.

APPENDIX 2

DEFINITIONS OF THE SECTORS

The United Kingdom national accounts divide the economy into institutional sectors so as to display the relationships between the different parts of the economy and the different forms of economic activity in a way which aggregate statistics cannot do. The sectors bring together those institutional units which are likely to play similar roles in economic activity and which may be expected to react in a broadly similar fashion to various market, fiscal and monetary forces.

The sectors used in this article are the same as in the national accounts. Full definitions of the sectors are given in *National Accounts Statistics: Sources and Methods*[1], as brought up to date by the notes in *National Income and Expenditure 1981 Edition*, the Blue Book[2]. They are explained more briefly below.

General government

(i) Central government

The central government sector is defined in a wide sense. It can be regarded as embracing all bodies for whose activities a Minister of the Crown, or other responsible person, is accountable to Parliament. Besides the various departments of the government of the United Kingdom and the Northern Ireland government (including HM Forces and Women's Services) it also includes a number of publicly constituted bodies, which, while not government departments in the ordinary sense, are financially dependent upon and effectively controlled in major matters by the government. Examples of these bodies administering public policy but without the substantial degree of financial independence which characterises the public corporations include the Regional and Area Health Authorities of the National Health Service, the United Kingdom Atomic Energy Authority, National Research Councils, Royal Commissions and National Museums and Art Galleries. Also included are certain productive or trading enterprises financed directly from the accounts of the central government, such as the Forestry Commission. The sector coverage is much wider, therefore, than the non trading civil service alone, or than Minimum List Heading (MLH) 901 – National Government Service – listed in the *Standard Industrial Classification (Revised 1968)*.

(ii) Local authorities

This sector consists of all local government authorities which have power to raise funds by means of rates or levies. It includes all levels of administrative authorities (including parish councils) and also local authorities with special functions. It includes magistrates' courts, the probation service in England and Wales and police forces and their civilian staffs. It embraces all functions of such authorities (including, for example, their education services and construction departments) and includes trading activities of local authorities such as housing, municipal bus companies, ports and aerodromes. The sector coverage is much wider, therefore, than MLH 906 – local government service – listed in the *Standard Industrial Classification (Revised 1968)*.

Public corporations

Public corporations are public trading bodies which have a substantial degree of financial independence of the central government. They are publicly controlled to the extent that the Sovereign, Parliament or a Minister appoints, directly or indirectly, the whole or the majority of the board of management. They are free, however, to manage their affairs without detailed control by Parliament or, in the case of Passenger Transport Executives, by their parent local authority; in particular they have power to borrow, within limits laid down by Parliament, and to maintain their own reserves. Seventeen public corporations are currently designated as 'nationalised industries' and are noted as such in the list below. Subsidiaries of public corporations are classified to the public corporations sector if their accounts are consolidated with those of the parent corporation. In the case of the National Enterprise Board subsidiary companies are classified to the companies sector which forms part of the private sector, as also are most companies which are wholly or partly owned directly by central government.

Civil Service trading funds like the Royal Mint are included in this sector and not under Central Government.

Public sector

The sum of general government and the public corporations.

Private sector

This covers employment in companies in the corporate sector other than public corporations and in the personal sector (including unincorporated businesses and private non-profit making bodies serving persons). Bodies serving industry, supported by the government but not wholly dependent on government funds nor subject to detailed financial control are treated as part of the company sector, e.g. industrial training boards. Unincorporated businesses are those of sole traders and partnerships of individuals. All self-employed (whether or not they have any employees) are included in this sector including general practitioners. Private non-profit making bodies serving persons include universities.

CLASSIFICATION BY INDUSTRY

Industries are classified according to the *Standard Industrial Classification (Revised 1968)*. The seven industry groups in Appendix 1 Table 2 represent the maximum breakdown for which industry and sector information is available.

SOURCES OF THE STATISTICS

The figures for total employees in employment and for self-employed persons in each industry are aggregated from those compiled and published by the Department of Employment and the Department of Manpower Services, Northern Ireland. For employees in Great Britain the figures for 1979, 1980 and 1981, are taken from the provisional quarterly series and are subject to revision when the results of the 1981 census of employment become available. For the self-employed (who may or may not have employees) the latest firm estimates are for 1975: pending availability of more up-to-date estimates the figures for 1975 have been used for all following years.

Estimates of employment in central government and the public corporations are mostly derived from the central records of the organisations concerned. Efforts are made to ensure, as far as is possible, that the figures derived from different sources are consistent. For example, in order to be consistent with the data for total employees, the estimates seek to count jobs rather than persons so that those with two or more jobs are counted twice or more. Also, no

adjustment is made for differences in hours worked or the extent of part-time working. However, the absence of a common source leaves scope for error, which will also affect the estimates for the private sector where the figures are derived by subtracting the estimates of employment in central government, local authorities and public corporations from the industry totals. This is one reason why too much emphasis should not be placed on relatively small changes in employment from one year to another.

Up to and including 1974 the figures for employment by local authorities in Great Britain were based on figures collected and compiled by the Department of Employment with the co-operation of local authorities in England, Wales and Scotland. Additions were made for Northern Ireland, and to include the staffs of magistrates' courts and the probation service, employees of parish councils and certain other local bodies, and the civilian employees of police forces, none of whom were included in the Department of Employment's survey of local authorities. (These groups are of course included, but not separately identified, in the Department of Employment's mid year figures of the total of employees in employment.) From 1975, figures from the Joint Manpower Watch surveys undertaken on behalf of the central and local government by the Local Authorities' Conditions of Service Advisory Board form the basis of the figures for local authorities in England and Wales[3]. This survey covers all the services for which local authorities in England and Wales are responsible, including most of the bodies for which separate estimates had previously to be made. From 1976, the figures for Scotland are taken from a similar survey undertaken on behalf of central and local government by the National Joint Council for Local Authority Services (Scottish Councils)[3].

Information is not available from every source concerning (*i*) disaggregation below United Kingdom level, or (*ii*) of the number of males, females, full-time and part-time workers. Where estimates of (*ii*) are included in this article they are approximate.

All numbers are on a headcount basis and take no account of the hours worked.

MAJOR CHANGES IN THE SECTOR DEFINITIONS, COVERAGE, AND CONSISTENCY OF THE STATISTICS BETWEEN 1975 AND 1981

Central government

The Royal Mint and the Property Services Agency (Supplies Division) have been reclassified as public corporations with effect from 1 April 1975 and 1 April 1976 respectively. These were the dates at which they were established as trading funds under the Government Trading Funds Act 1973. Her Majesty's Stationery Office has been reclassified as a public corporation from 1 April 1980.

There were several other additions and changes to the public corporations sector in this period which are shown in the following section.

PUBLIC CORPORATIONS

The public corporations in existence during the whole or part of the period covered by this article are listed opposite.

A. Corporations in existence at 1 April 1981

NAME OF CORPORATION	COMMENCING OR VESTING DATE
Bank of England	March 1946
*British Airports Authority	April 1966
*British Airways Board‡	April 1974
British Broadcasting Corporation	1927
*British Gas Corporation‡	January 1973
*British National Oil Corporation	January 1976
*British Railways Board‡	January 1963
*British Shipbuilders	July 1977
*British Steel Corporation	July 1967
*British Transport Docks Board‡	January 1963
*British Waterways Board‡	January 1963
Cable and Wireless Ltd.	April 1950
Civil Aviation Authority	April 1972
Commonwealth Development Corporation	February 1948
Covent Garden Market Authority	October 1961
Crown Agents	January 1980
Development Board for Rural Wales‡	April 1977
*Electricity Council (together with the Central Electricity Generating Board and Area Electricity Boards in England and Wales)	January 1958
Her Majesty's Stationery Office	April 1980
Highlands and Islands Development Board	November 1965
Housing Corporation	September 1964
Independent Broadcasting Authority (formerly Independent Television Authority)	July 1972 (August 1954)
Land Authority for Wales	April 1976
*National Bus Company‡	January 1969
*National Coal Board	January 1947
National Dock Labour Board	June 1947
National Enterprise Board (subsidiary companies are treated as part of the companies sector in the national accounts)	November 1975
National Film Finance Corporation	October 1948
*National Freight Corporation‡	January 1969
National Ports Council	June 1964
National Research Development Corporation	June 1949
National Water Council	April 1974
New Town Development Corporations and Commission	1 December 1946 and various later dates
Northern Ireland Development Agency (formerly Finance Corporation)	May 1976 (May 1972)
Northern Ireland Electricity Service	January 1974
Northern Ireland Housing Executive‡	May 1971
Northern Ireland Transport Holding Company‡	April 1968
*North of Scotland Hydro-Electric Board	1943

NAME OF CORPORATION	COMMENCING OR VESTING DATE
Passenger Transport Executives and London Transport Executive‡	Various dates from October 1969
*Post Office	April 1961
Property Services Agency (supplies)	April 1976
Regional Water Authorities in England and Welsh National Water Development Authorities§	April 1974
Royal Mint	April 1975
Royal Ordnance Factories	July 1974
Scottish Development Agency	December 1975
Scottish Special Housing Association	1937
*Scottish Transport Group‡	January 1969
*South of Scotland Electricity Board	April 1955
Trust Ports§	April 1974
Welsh Development Agency	January 1976

* Nationalised industry.

‡ Corporations which succeeded corporations existing previously.

§ The functions of these bodies were previously included in the local authority sector.

B. Corporation succeeded by other corporation 1975-1981

Mid-Wales Development Corporation: functions transferred to the Development Board for Rural Wales, March 1977.

C. Corporations transferred to the private sector 1975-1981

British Aerospace, which became a public corporation in April 1977, was reclassified to the private sector in February 1981.

References

[1] Studies in Official Statistics No. 13 *National Accounts Statistics: Sources and Methods* (HMSO 1968).

[2] *National Income and Expenditure: 1981 Edition* (HMSO 1981).

[3] See, for example, 'Manpower in the local authorities': *Department of Employment Gazette*, August 1979 (HMSO).

Agricultural incomes: a review of the data and recent trends

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Although written by the above named authors, who accept responsibility for its contents, much of this article describes statistical series developed and regularly produced by many economists and statisticians in both the Ministry of Agriculture, Fisheries and Food and the other agricultural departments. The authors are grateful to several of these colleagues for their helpful contributions and comments and also to a number of Inland Revenue statisticians (particularly Mr A. G. Solly) for similar assistance.

INTRODUCTION

This article describes various sets of estimates of agricultural business incomes in the United Kingdom. The main estimates are those resulting from the aggregate Departmental Net Income Calculation (DNIC) prepared annually by the Ministry of Agriculture, Fisheries and Food (MAFF) and the Farm Management Surveys conducted separately in England, Wales, Scotland and Northern Ireland. The article describes these estimates and includes an Appendix explaining the difference between them. It also presents a number of alternative 'income' and 'cash flow' series, which although mainly derived from DNIC data, do not have official status; these are introduced to stimulate discussion on the choice of appropriate measures for assessing trends in agricultural business incomes. The 'cash flow' series also make use of Inland Revenue information which is described more fully in another Appendix. However the article does not cover the other (non-official) sources of information on agricultural business incomes which are generally based on smaller or less representative samples of farms (see Note 1 on page 113).

THE DEPARTMENTAL NET INCOME CALCULATION

The industry's net product

The annual DNIC is an important element of the Annual Review of Agriculture which is required under the Agriculture Act 1947. The review is undertaken each autumn and leads to the publication of a White Paper early in the following year. The main results of the DNIC figure prominently in the text and are shown in more detail in Table 21 of the Statistical Appendix. This table indicates the derivation of the estimates of the industry's net product which can be summarised as follows:

	Output (i.e. sales), comprising farm crops (1), horticulture (2), livestock (3), and livestock products (4)	
+	Own account capital formation (5)	
=	Total Output (6)	
+	Compensation payments etc. (7) and Production grants (8)	
=	Total Receipts (9)	
+	Volume of physical change in output stocks and work in progress (10)	
=	Gross Output (11)	
−	Total expenditure on inputs (14)	Gross Input (16)
−	Value of physical usage of input stocks (15)	
=	Gross Product (18)	
−	Depreciation (19)	
=	Net Product (20)	

where the numbers in bracket correspond to rows in Table 21 of recent Annual Review White Papers. Recent developments affecting the precise coverage and arrangement of these estimates were described in an article published in the September 1981 issue of *Economic Trends* (see Note 2).

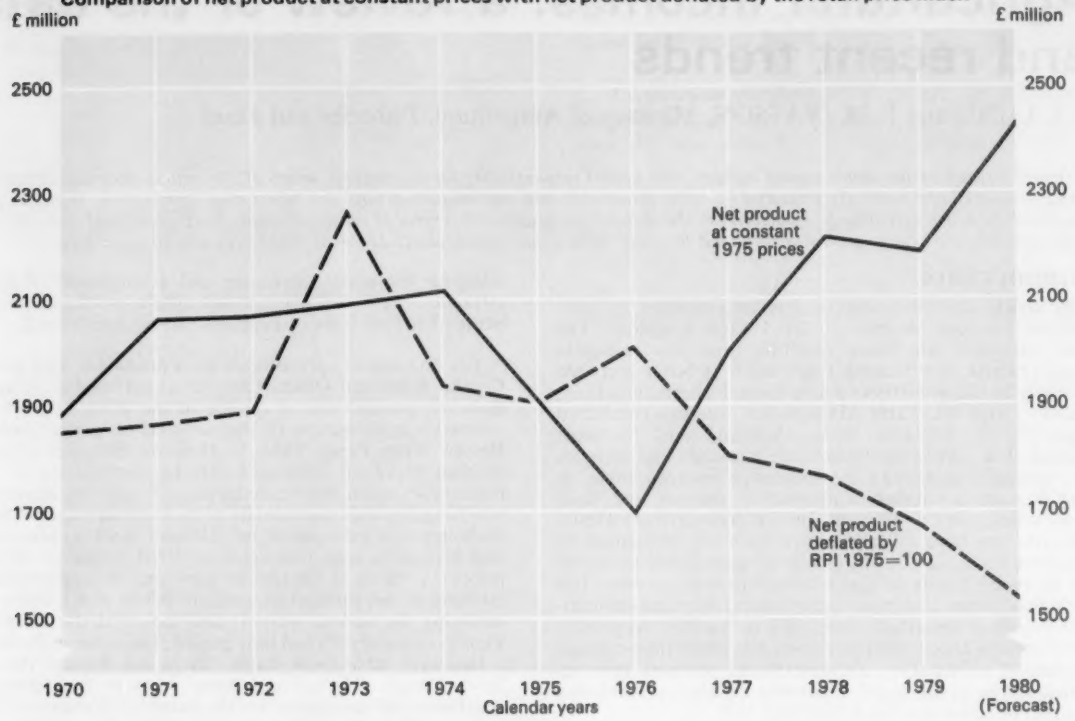
The estimate of agriculture's gross product is used by the Central Statistical Office (CSO) in its estimation of gross domestic product and is quoted in the assessment of the industry's contribution to the national economy (Annual Review White Paper, Table 1). However estimates of gross product make no allowance for the depreciation of the industry's capital stock; deduction of such an allowance (see Note 3) yields the estimate of the industry's net product. Although this estimate is net of both stock appreciation and depreciation at replacement cost it is still at current prices (i.e. those of the year in question). A supplementary estimate of net product at constant prices is calculated by revaluing the various outputs and inputs at the prices of some periodically revised base period. The result is shown in a summary table (now Table 22) in the Annual Review White Papers. The corresponding gross product estimate constitutes the numerator for the parallel calculation of the index of the industry's labour productivity and also represents the sole example of the use of the 'double-deflation' method in the CSO's estimation of gross domestic product at constant prices.

It should be noted that the estimate of net product at constant prices reflects changes in the industry's physical outputs and inputs rather than in the real purchasing power of the various income flows resulting from the industry's net product. Indeed the industry's physical net output and the sum of these real income flows can move in opposite directions. As shown in Chart 1, such divergences have occurred in recent years, first as a result of the droughts of 1975 and 1976 (when, due to the inelasticity of demand, the value of the potato crop rose, with the increase in price more than offsetting the fall in quantity) and, subsequently, because input prices have risen more rapidly than output prices. The term 'real net product' is therefore an ambiguous one and care needs to be taken in distinguishing between output at constant prices, which is a volume measure, and real income, which is a measure of purchasing power.

Farming and other incomes

An industry's net product corresponds to its value added and hence to the sum of the incomes generated by the industry. Within the DNIC the separately distinguished incomes are the interest received by the suppliers of loan capital, the net rent received by landlords and the earnings of (i) hired workers (both manual and managerial), (ii) family workers, partners and directors and (iii) farmers and their spouses (see Note 4). The last of these, the earnings of farmers and their spouses, has provided the basis for most assessments of the industry's financial performance and position. To a large extent this reflects the original role of

CHART 1
Comparison of net product at constant prices with net product deflated by the retail price index



the Annual Review as an integral part of the annual determination of guaranteed prices; before 1971 the calculation proceeded direct to net income (of farmer and wife) with labour, rent and interest being deducted as farm expenses. However the United Kingdom's membership of the European Community with its Common Agricultural Policy has reduced this role and the Annual Review now serves mainly as a regular factual assessment of the industry's economic condition and prospects. More attention has therefore been given in recent years to the precise nature of the income flows resulting from the industry's net product and to the construction of additional indicators of various aspects of the industry's financial performance and position.

Until the 1980 Annual Review the calculation of net income was based on the assumption that the national farm was tenanted, the rent bill covering both actual rents on tenanted land and imputed rents on owner-occupied land (see Note 5). However in view of the substantial and continuing trend towards the owner-occupation of agricultural land (see Note 6) this tenanted farm basis was dropped in the 1980 Annual Review. In that review net income was calculated on an owner-occupied basis and hence inclusive of rent, though separate estimates were made of the gross and net rent on tenanted land. This switch was accompanied by an extension of the interest bill to cover interest on debt incurred for the purchase of buildings and works, though interest on debt incurred for non-commercial purposes or for the purchase of land continued to be excluded (See Note 7).

The other deduction made in deriving net product from net income is in respect of labour. In principle this estimate is intended to cover everyone working on farms except farmers and their spouses and those whose labour is included within other input costs (e.g. vets). Thus, in addition to regular whole-time and part-time workers (including salaried managers and clerks) who have a contract of employment, the estimate includes paid seasonal and casual labour, and labour bills in respect of (i) regular whole-time and part-time family workers without a contract of employment and (ii) directors and non-principal partners working on the holding. These latter two bills are imputed on the basis of the earnings of hired workers, with the consequence that the residual farming income (primarily of farmer and spouse) will be affected by the differences between actual and imputed earnings. Such differences will reflect the actual manual and managerial inputs of family workers, partners and directors, any returns to financial capital invested by them and their share in the inevitable fluctuations in the overall profitability of agriculture (see Note 8). It should also be noted that since some agricultural holdings are operated by companies, the residual farming income includes the profits of these companies, after payment of all their employees (including salaried managers and directors), rather than the incomes of any particular individuals. The Inland Revenue data, described more fully in Appendix 1, classifies about 9,000 companies within the agricultural sector and information collected in parallel with the June 1975 agricultural census suggests that about 12,000 (5 per cent) holdings in the United Kingdom were then operated by companies, trusts or official organisations.

Given the dual aspect of rent, interest and labour as both farmers' costs and the incomes of others, the presentation of the final part of Table 21 was amended in the 1981 White Paper in order to show more explicitly the various incomes and associated payments comprised within net

product. In addition the total labour bill was split between the part covering hired workers and the part covering family workers (except spouses), partners and directors (see Note 9). The resulting layout is shown in Table 1 which, covering the period 1970-80, also shows the estimates of the industry's gross output, gross input and depreciation and some summary indicators of the industry's financial performance and position.

Subject to the points already noted, the estimate of farming income represents the income of farmers and their spouses after providing for depreciation and payment of interest and excluding stock appreciation. It thus provides an important summary indicator of the financial returns to these people from farming. It is however subject to a number of limitations, though these may be overcome, at least partially, by combining it with other estimates, both within and outside the DNIC. First, since the net rent on tenanted land is subtracted in deriving farming income, fluctuations in the latter are affected by the changing tenure of agricultural land. This problem can be overcome by treating the national farm as being wholly owner-occupied and adding net rent to farming income to yield net income as shown in the 1980 White Paper and in summary Table 22 of the 1981 White Paper. The resulting estimate includes the return to the financial capital invested by farmers and landowners, as well as that to their labour inputs, but does not include the return paid to the providers of other financial capital to the industry, e.g. banks and the Agricultural Mortgage Corporation. Although this return, paid as interest, is usually viewed as a cost by farmers, it does represent another part of the overall returns to agricultural activities and its exclusion makes the apparent performance of the industry highly dependent upon its sources of finance. Moreover in periods of inflation, interest payments tend to be matched by an erosion in the real value of outstanding debt, which in current cost accounting is allowed for through the gearing adjustment. These problems are avoided in the national income accounts by treating interest as a distribution out of the relevant primary factor incomes (income from self employment and gross trading profits) rather than as an item deducted in determining these incomes. Following this approach the 1981 White Paper included a comment, in its paragraph 10, on the movement in the sum of farming income, net rent and interest. This series, together with those resulting from the other possible adjustments to net income now being described, is shown in Table 1.

The next possible adjustment reflects the somewhat complicated position of family workers, (non-principal) partners and directors. The imputation of their earnings in the DNIC allows the estimation of the residual incomes received by the farmer and spouse, though as already noted, the imputation procedure necessarily affects both the levels of, and trends in, the resulting estimates. More fundamentally the procedure assumes that it is meaningful to separate the earnings of these people from those of farmers and spouses. About 8 per cent of family workers (included in the hired labour bill) have a contract of employment; these probably tend to be more distant relatives who live in separate households and are not part of either the farm household or businesses. However although Farm Management Survey (FMS) data suggests that about two-thirds of all family labour is paid, many of the recipients of this pay, together with other unpaid family workers and partners, are probably either members of farm households or normal contributors to farm's capital expenditures. As a first approximation one may therefore add the imputed labour bill in respect of family workers, partners and directors to farming income to obtain a rough indicator of 'farm household' income. Nevertheless the approximation is far from exact and is likely to overstate the agricultural income of 'farm households' since it will include the incomes of some people not living in such households.

Simple cash flow series

Inaccuracies in the treatment of family workers, partners and directors are however only one reason why the trends in farming income (or net income) may differ from farmers' (and landlords') perceptions of the profitability of farming. In particular it seems likely that these perceptions may be more closely related to trends in cash flow than in the summary income measures, even though none of these series are on a completely consistent accounting basis. Two adjustments may be made to the summary income measures to place them on an approximately cash-flow basis. First, farmers' perceptions may be influenced more by their actual capital expenditures than by their (current-cost) depreciation. Thus, in deriving the simple cash flow series shown in Table 1, the industry's gross fixed capital formation has been substituted for depreciation when the coverage includes landlords; in deriving the series excluding landlords, allowance has been made for their estimated share of the industry's capital expenditure and depreciation (see Note 10). The second adjustment relates to the treatment of changes in stocks and breeding livestock. The DNIC excludes stock appreciation and breeding livestock capital appreciation, but the income series are increased by the value of the physical increases in stocks and work-in-progress and by the value of breeding livestock capital formation. However since these are forms of capital investment and not cash receipts, they are excluded from the cash flow series presented in Table 1 for alternative sets of 'agricultural income' recipients. The broadest of these, that covering farmers (including spouses), family workers, partners and directors (together called 'farm households') and landlords is therefore defined as:

Farming income + Labour (family, partners and directors) + Net rent
\+ Depreciation
− Gross fixed capital formation
− Value of physical increase in stocks and work in progress
− Breeding livestock capital formation (see Note 11)

which is equivalent to:

Output (DNIC items 1 to 4)
\+ Compensation payments (7) and Production grants (8)
− Total expenditure on inputs (14)
− Gross fixed capital formation except that included within Own account capital formation (5), i.e. 'bought-in' fixed investment (see Note 11)
− Hired labour
− Interest

However the table also shows the increase in the value (both volume and price components) of unsold harvested crops, i.e. output stocks, which farmers may perceive as 'near cash' and hence as an addition to their cash incomes in the particular year.

Comparison of trends, 1970-80

Table 1 shows considerable differences between the changes in the various measures of the industry's output and associated incomes and cash flows over the past decade, 1970-80 (forecast). However these differences mainly arose during the

latter part of the period, 1976-80. During the first six years of the decade virtually all the main output, summary income and simple cash flow series increased by between 118 per cent (net income) and 155 per cent (hired labour). Since all these exceeded the 115 per cent increase in the Retail Price Index, all showed an increase in 'real' terms. The only exceptions to this general pattern were the then relatively small items, net rent (+20 per cent) and interest (+184 per cent). Within this period the various output and the two separate labour series showed fairly steady annual increases (apart from a small fall in net product in 1974) whilst farming income and the closely associated income and cash flow series were more volatile, with falls in 1974 and more pronounced peaks, especially in 'real' terms, in 1973 and 1976.

The various income and cash flow series showed more diverse trends from 1976 even though the fairly steady increase in the value of output continued into the latter part of the decade. The increases in both parts of the labour bill and in net rent were similar to that in the RPI (+68 per cent), but interest payments rose by 231 per cent due to increases in both the level of borrowings and interest rates. Farming income consequently fell by 20 per cent in money terms, with the greater part of the fall occurring in 1978-80. This fall is moderated slightly when either net rent or the imputed earnings of family workers, partners and directors, or both are included; the changes on these three bases being −18, −7 and −5 per cent respectively. Moreover the additional inclusion of interest, to provide series covering all the main providers of the industry's financial capital, only results in small increases of 6, 13 and 14 per cent respectively. Thus on all these alternative bases the changes were much lower than that in the Retail Price Index (+68 per cent), implying substantial falls in real purchasing power.

Broadly similar changes are also noted for the corresponding simple cash flow series. However within the period 1976-80 the farmers' cash flow series first fell (between 1976 and 1978) more rapidly than farming income and then more slowly (between 1978 and 1980); this switch largely reflects the industry's initially increased and then much reduced real level of capital expenditures. The disparity between the trends in the income and cash flow series in 1976-77-78 is mainly due to an unusually large increase in the volume of output stocks in 1977 compared to the low level at the end of the drought of 1976. It is however noteworthy that, because of the effect of shortages on prices, the value of these stocks rose in 1976 rather than in 1977.

Income per head

These estimates of incomes and cash flows relate to all agricultural activities in the United Kingdom and not those of a particular group of people. The numbers of farmers and farm workers are recorded in the annual June agricultural censuses, together with some supplementary information relating to whether they are (i) whole-time, part-time, seasonal or casual, (ii) male or female and (iii) spouses or 'other family' workers. However as the detailed classification of the estimates differs between the separate countries and their coverage has varied through time, the summary figures shown in Table 2 are initially separated by country and the comparison is limited to 1973 and 1979 (see Note 12).

Despite some gaps and inconsistencies, the figures indicate that there has been a large reduction in the numbers of hired and family workers relative to those of farmers, partners and directors. Since the aggregate incomes of farmers and their spouses (with or without landlords and other family workers, partners and directors) have risen more slowly than those of hired workers, it follows that the per capita incomes of 'farmers' have increased much more slowly than those of hired workers (see Note 13). It is however impossible to construct any precise or meaningful estimate of the per capita incomes of farmers by dividing the DNIC estimates of aggregate incomes by the census based estimates of the numbers of farmers, partners and directors. Such an estimate would have to be based on a split of the total labour bill imputed in respect of family workers, partners and directors and would inevitably be affected by the imputation for family workers. Moreover, whereas the DNIC estimates now cover all agricultural activities, including those on very small (statistically insignificant) holdings, the estimates of numbers of people exclude people (mainly part-time farmers) on statistically insignificant holdings. The estimates of the numbers of part-time farmers are also affected by the difficulties of distinguishing 'part-time' work from 'whole-time' work (see Note 14), seasonal or casual work and even no work on the holding. Certainly the recorded number of farmers' spouses doing part-time farm work must reflect a certain amount of judgment as to whether the spouse is actually 'doing farm work'. An alternative would be to calculate average farming income per holding, but again holdings differ widely in size and many very small holdings require less than the full-time work of one person.

Even if the estimates of agricultural incomes were related to some specific class of recipients, any resulting average would be accompanied by a wide dispersion and, more fundamentally, reflect only the incomes of these people from agriculture. Some farmers have other gainful activities or income sources and their total incomes will exceed those from agriculture alone. On the other hand part of the aggregate agricultural income is earned by people whose main gainful activity is outside agriculture and these people are not simply those whose farm work is described as 'part-time'. Thus information on the total incomes of people engaged, or at least mainly engaged, in agriculture cannot be derived from the DNIC (nor from the FMS). However some such information can be derived from the statistical analyses of Inland Revenue tax assessments described in Appendix 1.

'Post-tax' cash flow series

The information obtained from the Inland Revenue analyses can also be used to adjust the simple cash flow series to allow for taxation and other associated cash flows. In principle a large number of 'other cash flows' could be considered, but for practical purposes allowance has been made only for payments of income tax, corporation tax and national insurance contributions in respect of agricultural incomes and for receipts of capital grants, child benefits and national insurance retirement pensions. Incomes from other gainful activities and their associated occupational pensions, have therefore been ignored.

Before describing these adjustments, and the trends in the resulting cash flow series, it is again necessary to consider the alternative sets of residual farm income recipients which they might cover. Excluding landlords, for whom it would be very difficult to make these adjustments, one may list the following alternative groups:

(i) Farmers and spouses.
(ii) Farmers, their spouses and partners.
(iii) Farmers, their spouses, partners and directors.
(iv) Farmers, their spouses, partners, directors and family workers.

Of these, coverage (i) is as in the DNIC (and FMS) but is difficult to pursue because of the problem of separately identifying (other) partners' tax payments, grant receipts and other cash flows. Coverage (ii) is consistent with Schedule D and corporation tax data, (iii) might most accurately cover the class of 'farm business decision makers' and those investing their own financial capital, whilst (iv) is that of 'farm households' as defined earlier. Given these different claims, perceived 'post-tax' cash flow series have been derived for groups (ii), (iii) and (iv).

Starting from the simple cash flow series for farm households shown in Table 1 deductions have been made for the imputed labour bill in respect of paid family workers and directors to give a corresponding cash flow series for farmers, their spouses and partners. The adjustments then made to this series in order to derive the corresponding post-tax cash flow series are:

+ Capital grants received
− Payments of Schedule D income tax and corporation tax
+ Child benefits
− National insurance contributions (Classes II and IV)
+ National insurance retirement pensions.

The inclusion of capital grants is an offset to the deduction of 'bought-in' fixed investment in the derivation of the simple cash flow series. Receipts have been estimated as the sum of all payments made by the agricultural departments except those to landlords. In recent years most grants have been paid under the Farm Capital Grant Scheme and the Farm and Horticultural Development Scheme, which have recently been replaced by the Agriculture and Horticulture Grant Scheme and the Agriculture and Horticulture Development Scheme respectively. Most capital expenditures also qualify for Inland Revenue capital allowances, which reduce the amounts of income tax or corporation tax which would otherwise be payable (see Note 15). Their effects on farmers' post-tax cash flow are therefore allowed for in the deduction for tax payments. Payments of Schedule D income tax and of corporation tax have been equated to 'tax charged' as respectively shown in the 'in-year' and 'for year' Inland Revenue analyses of assessments in the fiscal year ending in the relevant calendar year (see Note 16). The amounts of tax charged are also affected by various personal reliefs, including the single and married persons allowance. Before 1979/80 there were additional allowances for dependent children; the table therefore includes an estimate for payments of child benefits which effectively replaced these allowances.

Self-employed people may be liable to two classes of national insurance contributions depending on their self-employment incomes. Provided their income is above a certain minimum, they are liable for the flat-rate Class II contributions and in addition they may be subject to the income-related Class IV contributions, which are paid with their Schedule D income tax liabilities (see Note 17). The estimates of these national insurance contributions have been derived on the basis of the distribution in each year of net true income, as shown by the Inland Revenue's 'in-year' analysis, and the numbers of Schedule D income recipients (assumed constant) as estimated from the Survey of Personal Incomes 1977/78. This survey has also provided the basic information on the numbers of children and on receipts of retirement pensions, which are the biggest single benefit financed by national insurance contributions.

Having obtained a post-tax cash flow series for group (ii), a corresponding one for group (iii) has been derived by adding back an estimate of directors pay (1/6 of the partners and directors wage bill), net of the employee's share of Class I national insurance (derived as a proportion of the estimated employer's share) and Schedule E income tax. The series for group (iv) has then been derived by adding the two thirds of family wages believed to be actually paid, again net of the employee's share of Class I national insurance and Schedule E income tax. For both directors and paid family workers, Schedule E income tax was estimated by assuming that they pay the same average rate of tax as all employees in agriculture and horticulture as given in *Inland Revenue Statistics*.

The results of these calculations are presented in Table 3. They suggest that the pre-tax cash flow of farmers, partners and their spouses, group (ii), was remarkably stable between 1975 and 1980, except for the large rise in 1976 followed by the large fall in 1977. On the other hand, except for the instability of 1976 and 1977, the post-tax cash flow shows a steady increase and indeed the post-tax cash flow is forecast to have been higher than the pre-tax cash flow in 1980. A similar pattern is followed by the cash flows for decision makers, group (iii), and farm households, group (iv). However, despite these increases in money terms, all three post-tax series show a decline of about 42 per cent in real terms between 1975 and 1980.

THE FARM MANAGEMENT SURVEYS

Description

All the income and cash flow series presented so far have related to the aggregate of agricultural business incomes generated within the United Kingdom. However these aggregates cover a wide range of different farming situations and both levels and trends can vary substantially between the separate countries and regions and between different sizes and types of farms (dairying, cropping, etc.). Departmental net income calculations are undertaken and published for Scotland, by the Department for Agriculture and Fisheries for Scotland (DAFS), and for Northern Ireland, by the Department of Agriculture of Northern Ireland (DANI) (see Note 18). In addition much of the Inland Revenue information is, or could be, disaggregated by country and standard statistical region within England (see Note 19). However neither of these sources provide a means of disaggregating incomes by farm types. The most frequently used sources of information on specific trends are therefore the Farm Management Surveys and the associated 'enterprise' studies which relate to the production of individual commodities.

Separate farm management surveys are conducted each year in England, Wales, Scotland and Northern Ireland covering a total of about 3,500 full-time farms (see Note 20). In Great Britain the surveys are conducted by university and college departments of agricultural economics, which prepare reports for their own province and forward individual (but anonymous) farm data to the three government departments (MAFF, Welsh Office and DAFS) which compile separate country reports. In Northern Ireland the surveys are conducted by DANI (see Note 21). The surveys are based on samples of farms stratified (according to province, type and size) on the basis of analyses of June agricultural census returns. The government departments provide the universities and colleges with random lists of census holdings (classified by type and size) from which to select those required to maintain the samples for their provinces.

Since the sample of farms therefore evolves through time, the results for the surveys of each year relate only to farms providing data for both the current and previous year.

Thus the most recently available full analyses compare data for 1979/80 and 1978/79 for an identical set of farms. The information analysed under the 1979/80 heading relates to accounting years ending between September 1979 and June 1980, though the majority ended on or after 31 December 1979. The average accounting year ending date is about mid-February (see Note 22). The summary figures for each country are weighted averages, with the weights being based on the distribution of holdings by type of farming, size of business and region (in England) as shown by the June census.

The main summary income series resulting from the FMS is net income (excluding breeding livestock stock appreciation) per farm. Estimates of this for each main farm type within each country are shown in the Annual Review White Paper (Table 24), though the definition of net income in the FMS is not identical to that in the DNIC (see Appendix 2 for details). In the Annual Review the survey results are supplemented by forecasts prepared by the government departments on the basis of changes in stocking, cropping, yields, prices etc. as shown by national statistics; for example the reporting of the results of the 1979/80 survey in the 1981 Annual Review White Paper was followed by a paragraph (13) forecasting broad income changes in 1980/81 for each type of farming.

Summary of results 1971-80

Although each of the FMS annual reports relate only to farms providing data for two successive years, comparisons over more than two year periods can be derived using chain-linked indices (see Note 23), though with breaks at the more substantial changes in farm classification and estimation methods. Table 4 presents indices of net income (excluding breeding livestock stock appreciation) per farm for the main farm types for each country over the period 1971/72–1979/80, though with a break and overlap at 1977/78. It demonstrates the wide variety of experiences with regard to income trends between both farm types and countries. Most of the series showed increases in average net income in 1971/72–1973/74, though nearly all of those for Northern Ireland showed falls in the latter year. There was then a fairly widespread fall in 1974/75 followed by a substantial and general recovery in the next year, to an overall level broadly maintained (in money terms) until 1977/78. The drought years brought particularly large increases in income on general cropping farms (especially those in Scotland where yields were less affected by the drought) and the unusually high returns from potatoes are likely to have affected the average incomes of other types which will include some farms with a potato crop. The sharp falls in incomes on cropping farms and in horticulture after the drought years were largely offset by continuing rises in the dairy and livestock sector and, Scotland apart, there was only a modest fall in average all-farm net income in 1977/78. There is a break in the series at this year, resulting from the adoption of a new method of farm classification and the estimation of depreciation (in respect of plant, machinery and vehicles) at replacement cost instead of at historic cost. However, an overlap is provided and at the all-farm level the new series shows a resumed rise in income, which, although fairly general outside Scotland, was particularly marked in the cropping, pigs and poultry and horticultural sectors. This was followed by a sharp fall in average income in 1979/80, this fall being especially severe in the dairying and livestock sectors, in Less Favoured Areas (LFAs) and in Wales and Northern Ireland, reflecting the preponderance of the affected sectors in these countries. Forecasts for 1980/81 suggest some reversal of this recent pattern with an increase in incomes on hill and upland farms being more than offset by falls on dairy farms, and on some lowland cattle and sheep and cropping farms. The forecast is therefore for a further fall in the all-farm types net income, expressed in real terms, which, over the period 1971/72 to 1979/80 has fluctuated considerably, with an initial rise between 1971/72 and 1973/74 and a smaller one in 1975/76 offset by substantial falls in the three years, 1974/75, 1977/78 and 1979/80.

ENTERPRISE STUDIES

Description

The information on income for specific farm types collected within the FMS is supplemented by data on the production of particular commodities collected in the 'Enterprise Studies' conducted by the various university and college departments. These studies are undertaken either continuously, at regular intervals, or irregularly (examples being pig production, milk and horticultural crops respectively) depending on their national importance, the rate of technical change within the sector and, for minor products, on their local importance. Most of the enterprise studies covering England and Wales are sponsored by MAFF and the Welsh Office, but the British Sugar Corporation has sponsored studies of sugar beet and the Milk Marketing Board is involved in the conduct and analysis of the Milk Costs Enquiry. Only the 1979 National Cereals Survey had a UK coverage and the other studies are usually conducted either at country (England and Wales jointly) level or, where production is highly localised, in certain university provinces. The Scottish colleges and DANI undertake their own separate studies.

The samples are normally selected on the basis of census returns, with random sampling within specified strata; however, as in the FMS, the participants remain anonymous. The summary results relate to enterprise output, gross margin and net margin (per hectare for crops and per head or forage hectare for livestock), where these terms are as defined in the MAFF's publication *Definitions of terms used in agricultural business management*. Particular requirements in respect of valuations and allocations of overhead costs are usually specified for each study and these may include the use of standard costs for certain items (e.g. use of tractors per hour). However other accounting conventions are as in the FMS in that both are on a tenanted farm basis and exclude a deduction for interest payments. On the other hand, in deriving estimates of net margins, the enterprise studies impute a charge for all labour inputs, including those (if any) of the farmer and spouse.

Recent trends

These enterprise studies provide the basis for continuing assessments, by Ministry economists, of broad trends in net margins and net incomes per unit (e.g. hectare or head of livestock) and per holding, in both money and real terms. Continuous annual series are obtained by linking the results of successive enterprise studies according to the trends on approximately corresponding FMS farm-types and other extraneous information (e.g. on prices). The net income estimates are derived by adding imputed charges for farmer and spouse labour to the net margin estimates. These unit net income estimates can be multiplied by average enterprise sizes (e.g. net income per cow $\times$ average herd size) to give estimates of average enterprise net incomes per holding. The resulting series are broadly comparable with the net income estimates for the closest corresponding FMS farm-types, but the two sets of series differ in that (i) the enterprise net incomes relate to holdings with a stipulated

minimum involvement in the activity (e.g. having 10 or more dairy cows) rather than to holdings classified to that activity in accordance with the farm classification systems and (ii) they relate to incomes from that activity rather than whole-farm income.

These differences affect comparisons between the net margin indices presented in Table 5 and the FMS net income indices shown in Table 4. Overall the unit net margin and enterprise net income estimates for each commodity show broadly similar movements, the differences between them reflecting the imputed labour charges for the farmer and spouse (which, being included in the net income estimates, tend to reduce the fluctuations in them compared with the corresponding net margin estimates) and the steady increase in most enterprise sizes (particularly milk, sheep, pigs, wheat and sugar beet). As may be expected, comparison of enterprise net incomes and the FMS whole farm net incomes shows the closest correspondence of movement in the more specialist sectors (dairy, cereals and pigs and poultry) and when the comparison is confined to England and Wales. However, even on the farms specialising in these products, the influence of other enterprises results in divergent movements in some years. For instance, the fall in net income on specialist cereal farms in 1979/80, a year of improved cereal enterprise income, partly reflects reductions in their output of livestock and non cereal crops, while the drop in net income on the FMS pig and poultry farms in 1979/80 in England is smaller than that in the pig enterprise because their output of cereals, eggs and poultry rose.

CONCLUSION

Given the multiplicity and diversity of the available series, questions about the level of, or trends in, agricultural incomes need to be clearly specified with regard to (i) geographical and farm-type coverage, (ii) group of income recipients and (iii) broad concept—e.g. 'income' or 'cash-flow', pre- or post-tax etc. For some questions, primarily at aggregate level, DNIC based estimates will usually be most appropriate whilst for others, primarily at more disaggregated levels, FMS or enterprise study based estimates will be better. However, when using or choosing between these series, note should be taken of the important definitional differences between them; as shown in Appendix 2 these account for much of the apparent divergence in their overall trends in recent years.

Despite these qualifications there are some broad trends in the past decade which appear to be indicated by all the series. Farm incomes rose until 1973 when they attained their peak levels in real terms. There was then a fall in 1974 before rises in the drought years of 1975 and 1976, largely as a result of the exceptionally high prices received for scarce crops (particularly potatoes). Since 1976 most of the series have fallen, at least in real terms, though the extent, timing and pattern of the fall varies markedly between the series. The fall is greater for the conventional DNIC farming income and net income series than for the alternative DNIC-based income or cash flow series, some of which have shown a small rise in money terms. The all-farm FMS figures display a more volatile pattern of change, but this disparity is largely attributable to the definitional differences between the two series. The greater detail provided by the FMS, and the related enterprise income estimates, reveals the different experiences of the livestock, dairy and cropping sectors in recent years and these differences are reflected in the separate country trends.

The article has not included any comparisons between business incomes earned in agriculture and those earned in other sectors. Such comparisons are complicated by the predominance of the self-employed sector in agriculture and by the complex nature of self-employment incomes. Thus, in addition to 'profits', series such as DNIC 'farming income' include the returns to the manual labour of the farmer and spouse and to the managerial efforts of all except hired workers and salaried managers, the equivalents of which would be deducted as costs in the calculation of company profits. It is not possible to isolate any one of the components of self-employment incomes without making assumptions about the others and the results of any such calculations would inevitably be dependent upon these assumptions. This problem also hinders the estimation of rates of return in agriculture. For this reason no attempts have been made in this paper to estimate either the profits or accounting rates of return earned in agriculture as a whole. It should also be noted that the main (DNIC and FMS) estimates of agricultural incomes are not directly comparable with estimates of income from self-employment for other sectors, since the latter are based on tax returns for Schedule D incomes and hence have a different (and varying) treatment of the important contribution of family workers. Finally some of the factors (e.g. the weather, low elasticities of demand and the EC Common Agricultural Policy) affecting changes in agricultural business incomes tend to be peculiar to the industry and largely unrelated to the more general economic factors influencing the rest of the economy.

APPENDIX 1

INLAND REVENUE DATA

Description

Information on the incomes of persons and companies mainly engaged in agriculture is provided by the administration of the personal and corporate income tax systems (see Note 24). Since most farms are operated by unincorporated businesses, the resulting 'incomes from self-employment', which include the returns to the farmers' and partners' capital, managerial and manual efforts, are assessed for income tax under Schedule D, case I (profits of a trade). The trading profit of a farmer's accounting year ending in the fiscal year to 5 April normally forms the basis of the income tax assessment for the following fiscal year (the year of assessment). The tax so assessed is normally due and payable in two equal instalments, one on the 1st January in the year of assessment and the other on the following 1st July. Thus the tax on income earned in an accounting year ending on, say 31 December 1978, will normally be payable in 1980.

Corporation tax on the profits of companies, on the other hand, is payable either (i) on 1 January in the year following the financial year to 31 March in which the company's accounting period ends or (ii) nine months after the end of the company's accounting period (or, if later, within one month of the making of the assessment), depending on whether the company was incorporated before or after the 1965 Finance Act (see Note 25).

In recent years the Inland Revenue has undertaken four separate sets of analyses which include trading profits assessed for income tax or for corporation tax and from which figures for Agriculture and Horticulture (as defined in the 1968 Standard Industrial Classification) can be derived. These analyses are:

(i) of a stratified sample of all income tax assessments and amendments, irrespective of the year of assessment to which they relate, made in an Inland Revenue year of account ending on 31 October (the 'in-year' analyses).

(ii) of an aggregation, from a succession of 'in-year' data, of (a) income tax assessments and amendments for a particular year of assessment and (b) corporation tax assessments and amendments for accounting periods ending in given financial years to 31 March. Unlike the 'in-year' analyses these 'for-year' analyses are subject to successive revisions.

(iii) of samples – known as the 'Trends Samples' – of unincorporated businesses and companies separately, producing year-on-year comparisons of gross trading profits and other items (losses, capital allowances, etc.). For unincorporated businesses these comparisons can be made for each quarter of the fiscal year in which the accounting periods of the businesses end; for companies they are between the financial years in which the accounting periods end.

(iv) from the Survey of Personal Incomes which is based on a sample of taxpayers' records for a particular year of assessment.

These four analyses differ in respect of their coverage, timeliness, extent of subsequent revision and provision of detailed information. Comparable and very detailed tables have been produced from (i) and (ii) showing, for example, incomes classified by region and income range and distinguishing between individuals and partnerships. However these analyses are relatively out of date; for trading profits chargeable to income tax, both the latest 'in-year' analyses for the Inland Revenue accounting year ending October 1980 and the 'for-year' analyses for the year of assessment ending April 1980 effectively provide information on trading profits earned in 1978. The analyses of income tax assessments of trading profits are to be discontinued once those for the year to October 1981 have been completed; from then on the Survey of Personal Incomes will become the main source of information on the trading profits of unincorporated businesses. The survey identifies a person's total Schedule D Case I and II income and classifies this total according to the activity which provides the person's main source (or largest subsidiary source) of income; if the Case I and II income is derived from two or more activities, these cannot be separately identified and some of the income for any given industry may therefore relate to other industries. However, as from the year of assessment 1980/81, the Survey will be extended to allow separate identification of a person's (other than a wife's) main and subsidiary Schedule D income, the latter classified according to the largest source of subsidiary income. Information on company incomes is provided by comparable 'for-year' analyses and a 'Trends Sample', though the latter, whilst having a higher coverage, is somewhat less up-to-date than the one for Schedule D incomes.

Summary of resulting information

The annual Inland Revenue publication *Inland Revenue Statistics* presents the aggregated results (i.e. number of assessments, gross true income, capital allowances, net true income and tax) (see Note 26) of 'in-year' analyses of Case I or II Schedule D assessments, classified by both industry and region. Similar information is provided for companies on the basis of 'for-year' analyses of corporation tax assessments though a distinction is drawn between agreed and estimated assessments, with details provided only for the former; there is however no classification by region.

Table 6 presents corresponding estimates of gross trading profits earned in Agriculture and Horticulture, though the 'for-year' ones cover both agreed and estimated assessments. For the more recent years (1978-79), the 'for-year' estimates have been obtained by applying the results of the appropriate 'Trends Sample' analyses to the 1977 estimates. To assist comparisons, all these estimates have been listed under the calendar years in which the profits were mainly earned. In addition the table includes three series derived from DNIC data. The first is the sum of farming income and the imputed labour income of non-principal partners and their spouses; an imputed income for directors has been excluded from this sum (see Note 27) since directors' remuneration is deducted as a cost in the computation of gross trading profits. The other two series are alternative DNIC based equivalents to the sum of the Inland Revenue estimates of Schedule D and company gross trading profits. The starting point for both is the industry's gross product inclusive of stock appreciation + landlords' current expenses – adjusted gross rent on tenanted land – gross interest (including that on borrowings for the purchase of land) – own account capital formation on buildings and works – hired labour – imputed labour bill in respect of directors[28]. However since the farmer is likely to make deductions for the cost of family labour, including that of his spouse, deductions are also required for these. Unfortunately it is not easy to estimate these particular deductions, even in aggregate terms, and two sets of assumptions have been employed to derive 'higher' and 'lower' DNIC-based equivalents to the Inland Revenue series (see Note 29).

However both of these are somewhat higher than the corresponding Inland Revenue ones, a difference which may be explained by a number of factors including their coverage (branch versus sector concepts) and any under-recording of profits for tax purposes.

The Inland Revenue publish separate annual reports on the Survey of Personal Incomes containing detailed analyses by type and range of income, with further disaggregations by marital status, region and county. These annual reports do not contain disaggregations by industry, but a special analysis of the results from the 1977/78 Survey has been conducted on all single persons and married couples in receipt of Schedule D Case I or II income where the main source, or largest subsidiary source, of such income was from agriculture or horticulture. The results are summarised in Table 7, which allows comparisons of the relative importance of Schedule D Case I or II incomes from agriculture or horticulture (see Note 30) with other forms of income for single persons and married couples. Information is provided on both the number (see Note 31) and aggregate amount of these incomes. Particular points of note are the apparent importance of investment incomes and retirement pensions (especially for single females and widows), the number of wives with (low average) Schedule E earnings and the relatively high number of Schedule D incomes without any deductions in respect of capital allowances, stock relief and losses. This form of information will become even more relevant when, as from the 1980/81 Survey, a person's (other than a wife's) main source of Schedule D Case I and II income will be separately identified from the person's subsidiary sources of such income.

APPENDIX 2

COMPARISON OF DNIC AND FMS INCOME ESTIMATES

Although the DNIC and FMS provide complementary information on trends in agricultural incomes at aggregate and specific country/farm type levels, there are important differences between them which affect their comparability. Thus, in terms of coverage, the DNIC series now relates to agricultural production on all holdings, whereas the FMS is limited to full-time farms, with the results being expressed per farm. There are also important differences in the separate definitions of net income and in the principles underlying the estimation of certain items in the calculations. Unlike the treatment in the DNIC, all farms in the FMS are treated as being tenanted, with a charge being deducted for land and building costs covering both actual and imputed rents (the latter on specific improvements undertaken by tenants) on tenanted land, imputed rental values on owner-occupied land, occupiers repairs and the rates on farm houses and cottages (these being offset by their domestic rental value or rents received). Landlords' current expenses and depreciation on buildings and works are subsumed within this charge. Other important differences are that the FMS net income does not allow for the payment of interest (it being difficult to identify and collect information from all farms on interest paid only on commercial borrowings for tenant-type purposes) and is calculated inclusive of stock appreciation (except that on breeding livestock). The net effects of these differences can be substantial in periods of rapid inflation when the inclusion of most stock appreciation and the lack of a deduction for interest payments will tend to cause FMS net income to rise faster, or fall slower, than DNIC net income. Important differences in methods of estimation relate to the valuation of stocks, work-in-progress, breeding livestock and machinery depreciation. The values of the physical changes in output stocks and work-in-progress (non-breeding livestock) are estimated at costs of production in the DNIC whereas the total change in values (including stock appreciation), which is included in FMS net income, reflects changes in market price valuations. Likewise the valuation of the physical change in input stocks in the DNIC is at end-year market prices whereas the total change in purchase price valuations is included in the FMS. In principle both calculations exclude breeding livestock stock appreciation, but the methods differ in detail and the physical increase is effectively measured at the costs of production of current replacements in the DNIC and at average (beginning- and end-year) market prices in the FMS (see Note 32). The depreciation of plant, machinery and vehicles is now estimated at current replacement cost in both calculations, though the FMS estimate is derived by applying the reducing-balance method to past investments, whereas the DNIC estimate is based on a revaluation of the contemporary aggregate stock. Moreover FMS results for paired years prior to the 1978/79 Survey are based on historic cost depreciation. Of these differences, the most important may be those in respect of the valuation of output stocks (which causes the FMS to include most of the

income effect of crop price fluctuations in the harvest year, whereas the DNIC spreads this effect between the years in which the crop is sold) and work-in-progress (which makes the FMS income estimates more sensitive to changes in livestock prices).

These differences between the DNIC and FMS inevitably affect comparisons between the two resulting sets of series. Chart 2 compares the trends in the calendar-year DNIC estimates of farming income for 1970-80 (forecast) with the FMS all farm types index of net income for 1971/72–1979/80. Until about 1976-77 the two series showed broadly similar trends and the somewhat greater overall percentage rise shown by the FMS series may be partly explained by the declining number and increasing size of full-time farms. However in the more recent years, the two series have shown very different patterns with the steady decline in DNIC farming income being matched by substantial fluctuations in FMS net income.

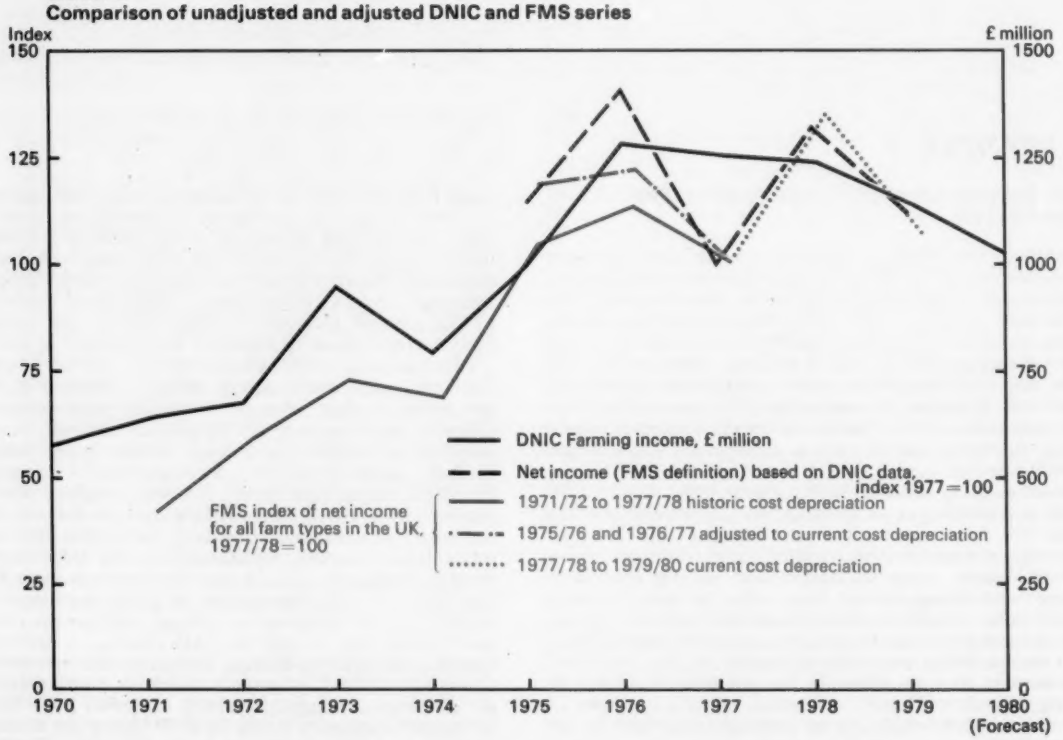
In order to examine the importance of definitional differences in explaining these disparate trends, the DNIC data for 1975 to 1979 has been adjusted to the FMS definition of net income as follows:

Net Income

− Net Rent (of the national farm) (see Note 33)
+ Interest
− Value of physical increase in output stocks and work-in-progress (at costs of production)
+ Increase in value of output stocks and work-in-progress (at market prices)
+ Stock appreciation on input stocks (approximating purchase prices by end-year market prices)
− Breeding livestock capital formation (at costs of production)
+ Breeding livestock capital formation (at average of beginning and end-year market prices)
+ Machinery depreciation (as in the DNIC)
− Machinery depreciation (average FMS diminishing balance rate applied to revalued previous investments)

In addition the FMS estimates for 1975 and 1976 have been adjusted to put depreciation on an approximately replacement cost basis so as to provide a comparison over a reasonable period. The results of these calculations, as shown in Chart 2, suggest that definitional differences may explain much of the difference between the trends of the DNIC and FMS summary income series. The need to allow for the differences in the definitions of net income in the DNIC and the FMS should be borne in mind whenever comparisons are drawn between them.

CHART 2
Comparison of unadjusted and adjusted DNIC and FMS series



NOTES ON THE TEXT

1. A particular example is the ICI Recorded Farms scheme which, in its 1980 Crop Year, covered 141 farms in England and Wales. The results of the scheme have been published annually since 1969 in ICI Farming Service Technical Services Group Reports, but it has been announced that the scheme is to be terminated and the 1980 report is the last one.

2. 'Recent developments in economic accounts for agriculture', *Economic Trends*, No 335, September 1981 (HMSO).

3. The estimate of depreciation of buildings and works used in the DNIC is consistent with the estimates contained within the CSO's national income calculations. However the Ministry makes a separate calculation of the depreciation of plant, machinery and vehicles on the basis of an independent estimate of the industry's existing stock of these assets, valued at current replacement cost.

4. Although the DNIC provides the basic statistical information on agriculture for the national income accounts, this split of the incomes generated by the industry's net product is rather different from that used in those accounts. In the annual volumes *National Income and Expenditure* the industry's contribution to GDP before deducting stock appreciation is allocated as follows:

   Labour ('hired' plus 'family and partners') to Income from Employment (Table 3.1)

Farming income + Interest + Stock appreciation + Depreciation (total) − Landlords' depreciation	to the 'Income before tax of Farmers' (Table 4.1) which is included in Income from Self-Employment (Table 3.1)
Net Rent + Landlords' depreciation	to the Rent earned by Insurance, Banking, Finance (including real estate) and Business Services (Table 3.1)

   Landlords' depreciation is deducted in the derivation of farmers' income in order to limit the depreciation adjustment to the part attributable to farmers themselves and added to net rent (i.e. gross rent less landlords' depreciation and current expenses) in order to place the rent earned by the finance sector on a pre-depreciation basis.

5. The method of calculation did not however lead to these being separately identifiable. Until the 1970 Annual Review gross rents were deducted as a farm expense; thereafter landlord-type maintenance and depreciation were deducted in deriving both net product and net rent (gross rent less these two items) leaving net income affected by only gross rents.

6. The proportion of agricultural land in Great Britain which is owner-occupied had risen from about 38 per cent in 1950 to 57 per cent in 1978. More information on this trend was provided in an article 'Agricultural land: its ownership, price and rent' in *Economic Trends*, No 314, December 1979 (HMSO).

7. Although this distinction is somewhat hazy, it is consistent with the exclusion of the value of net sales of land by the industry and with the exclusion of the appreciation of land values.

8. The estimate of farming income also covers the earnings of the spouses of directors and non-principal partners (in England, Wales and Northern Ireland) who are doing farm work. Strictly these earnings, which probably amount to £5–10 million, should be included within the labour bill.

9. The position of the earnings of directors working on the holding is somewhat complicated, since although they are (like the earnings of salaried managers and hired workers) strictly a labour cost of farming companies, the basic census data does not allow their numbers to be distinguished from those of non-principal partners.

10. Further adjustments to allow for the receipt of capital grants and the payment of taxation (affected by capital allowances) are made in a following section.

11. Both of these descriptions of the calculation involve the identification of the two separate components of the DNIC item (5), own account capital formation. This is included within the DNIC in order to allow both the cost of that part of investment in building and works which is physically undertaken by the farmer or farm labour and the value of the physical increase in breeding livestock to be treated as capital expenditure by offsetting the associated current costs included within inputs or the labour bill.

12. The agricultural census in England and Wales only included questions on the numbers of farmers, partners and directors from 1970 and on salaried managers from 1972 and the numbers returned in the first subsequent censuses should be treated with some caution. There is no corresponding question in Scotland, where the census form asks for information on the occupier (not more than one per holding) and spouse. Other working partners and salaried managers are returned as regular farm staff, though their numbers are estimated on the basis of a separate field survey; these estimates have been used in constructing the Scotland and UK figures shown in the table. The figures for Northern Ireland are broadly comparable with those for England and Wales though there are detailed differences in classification.

13. More direct and detailed information on the earnings and hours of hired regular workers in England and Wales is collected in the Wages and Employment Enquiry and published in quarterly press notices and an annual MAFF publication, *Agricultural Labour in England and Wales*. Similar information in respect of regular full-time hired workers in Scotland is published in the *Economic Report on Scottish Agricultural*. Unlike the DNIC, and the National Accounts, these earnings data do not include employers' national insurance contributions as part of the labour bill or employee remuneration.

14. The guidance notes accompanying the June census form in England and Wales indicate that persons should be returned if 'doing farm work (including managerial and office work) on the holding' though, to avoid double-counting, each person is to be entered 'once only and on only one form'. 'Whole-time' implies a person whose main occupation is farming and who devotes

about 40 hours per week to running the holding. 'Part-time' is not defined in England and Wales, though in Scotland the number of part-time occupiers is split between those working more or less than half-time.

15. It should however be noted that a combination of capital grants and allowances does not necessarily represent an especially favourable fiscal treatment for capital expenditures: whether the treatment is more favourable than that of other expenditures depends on the rates of grant and allowances and other detailed features of the tax system.

16. This allocation assumes that corporation tax assessments for fiscal year (t - 1) to t, relating to accounting periods ending in the twelve months to 31 March of year t are normally due on 1 January of year t+1 and paid in that (t+1) calendar year. However allowance has also been made for the payment of advance corporation tax.

17. It has been assumed that wives' earnings from their husbands' agricultural businesses are below the lower earnings limit for national insurance Class I contributions.

18. These are published annually in the *Economic Report on Scottish Agriculture* and the *Statistical Review of Northern Ireland Agriculture*. So far as practicable these estimates follow the methodology of the UK estimates, though there are inevitably some differences in the sources of information. Given the marked difference between the extents and nature of the tenanted sectors in Great Britain and Northern Ireland, comparisons based on published DNIC data best refer to net income. The following table presents the estimates for 1970-80 together with the implicit estimate for England and Wales:

Net Income 1970-80, £m

	UK	Scotland	Northern Ireland	England and Wales (implicit)
1970	605	71	38	495
1971	668	81	40	548
1972	708	85	43	580
1973	976	130	54	793
1974	820	118	29	672
1975	1,024	133	34	857
1976	1,319	204	51	1,064
1977	1,301	170	69	1,062
1978	1,297	118	64	1,114
1979	1,204	76	34	1,094
1980 (forecast)	1,084	41	9	1,035

19. The annual publication, *Inland Revenue Statistics* provides such a disaggregation of the 'in-year' analysis for 'agriculture and horticulture'. The following table summarises the information in respect of net true income (as defined in Note 26) which is available for the period from 1970.

Year in which incomes were mainly earned	England	Wales	Scotland	Northern Ireland	United Kingdom
1970	265		41	18	324
1971	354		49	20	423
1972	411		61	27	498
1973	458		72	25	554
1974	463		69	28	560
1975	482	60	85	36	664
1976	539	79	114	45	778
1977	588	87	110	51	836

	English Regions								
	North	Yorks & Humber-side	East Mid-lands	East Anglia	South East	Gtr. London	South West	West Mid-lands	North West
1975	49	69	56	58	60	2	94	56	40
1976	62	73	58	58	66	—	111	60	51
1977	66	71	64	57	79	3	125	67	55

20. For FMS purposes a full-time farm is considered to be one on which one or more persons are, at minimum, spending the equivalent of about one man's normal full-time working hours. However the main results relate only to those farms on which the actual stocking and cropping pattern results in the farm having more than minimum size of business as measured in terms of standard labour requirements (expressed in Standard Man Days, SMDs) or, from the 1978/79 survey, in terms of standard gross margins (expressed in European Size Units, ESUs).

21. Eight university/college departments are involved in England, three in Scotland and one in Wales. Separate reports based on the Welsh data are prepared by the University College of Wales, Aberystwyth and the Welsh Office. The official reports are published separately in *Farm Incomes in England* (MAFF/HMSO), the supplement to the *Annual Digest of Welsh Agricultural Statistics* (Welsh Office), the *Economic Report on Scottish Agriculture* (DAFS/HMSO) and in *Farm Accounts Northern Ireland* published by the Economics and Statistics Division of DANI.

22. It should however be noted that crop enterprise output is calculated on a 'harvest year' as distinct from an 'accounting year' basis: that is, it refers only to those crops (with the exception of certain horticultural crops) wholly or partly harvested during the accounting year and excludes any crop carried over from the previous year. The total harvested yield of the current crop is valued at market prices (plus any subsidies) though any difference between the opening valuation of any stocks of previous crops and their ultimate disposal value is included in net income.

23. Starting from an initial survey these are derived by raising the census weighted estimates for the first year in this survey according to the year-on-year changes shown by the corresponding estimates for the second year in this survey and then similarly linking-on the changes shown for pairs of years covered in subsequent surveys.

24. Indeed for all industries except agriculture the income-based estimates of gross domestic product are derived from Inland Revenue analyses of tax assessments.

25. The amounts payable at these times are however reduced by the company's payments of advance corporation tax in respect of distributions made during its accounting year.

26. The net amount chargeable to tax under Schedule D Case I or II is calculated as:

	Accounting profits of a trade
+	Accounting depreciation and other items not allowable against trading profits.
=	Trading profit
+	Balancing charges
−	Retirement annuity relief
−	Losses (from previous years or from other activities)
−	Allowable interest not claimed as a business expense
−	Other deductions (including stock relief)
=	Gross true income
−	Capital allowances
=	Net true income
−	Personal reliefs
=	Net amount chargeable to tax

27. This has involved splitting the total imputed labour bill for partners and directors on the basis of census and Inland Revenue based estimates of the numbers of these persons and of agricultural partnerships and companies. It has been assumed that directors account for one-sixth of the total labour bill for (other) partners and directors doing farm work.

28. The treatment of breeding livestock capital formation and stock appreciation assumes that all breeding livestock are taxed on the herd basis, i.e. as capital items. On the other hand, it has been assumed that own account capital formation in building and works is treated as a current expense for tax purposes. Landlords current expenses are added on since these are not incurred by farmers who instead may make a deduction in respect of rent excluding that in respect of the dwelling component of the farmhouse, i.e. adjusted gross rent. The hired labour bill includes an adjustment for the tax treatment of perquisites.

29. The higher estimate allows deductions only for the two-thirds of total (non spouse) family labour which FMS data suggests is actually paid, whereas the lower estimate deducts the whole of this bill. The estimates also differ in respect of their deductions for spouses' labour: the higher one being based directly on the Survey of Personal Incomes and the lower one on the assumption that all wives who are not partners are paid at the lower national insurance earning limit. This latter calculation has involved estimating the number of wives who are partners on the basis of data from the June census and the Survey of Personal Incomes.

30. The estimate of Schedule D incomes shown in Table 7 (£1228m) is somewhat different in coverage from the estimates shown in Table 6. Table 6 covers all separately assessed Schedule D incomes classified as from agriculture or horticulture whereas Table 7 relates to all persons or married couples with a Schedule D income mainly derived from these industries. In addition the estimates derived from the Survey of Personal Incomes may be subject to greater sampling variation.

31. The total number of persons (311,000) in receipt of a mainly agricultural or horticultural Schedule D income in 1976, as estimated from the Survey of Personal Incomes 1977/78, is very similar to the (first) corresponding estimate which can be derived from the Ministry's Census based estimates of numbers of farmers, partners, directors and their spouses. The estimate derived from this source which is used in this paper is 310,000.

32. The differences between the DNIC and FMS treatments of stocks, work-in-progress and breeding livestock can be summarised as follows:

	Output stocks	Work-in-progress	Input stocks	Breeding livestock
DNIC	$(S_1^o - S_o^o)C^o$	$+(N_1^o - N_o^o)C^o$	$-(S_o^i - S_1^i)P_1^i$	$+(N_1^b - N_o^b)C^b$
FMS	$(S_1^o P_1^o - S_o^o P_o^o)$	$+(N_1^o P_1^o - N_o^o P_o^o)$	$-(S_o^i R_o^i - S_1^i R_1^i)$	$+(N_1^b - N_o^b)\frac{(P_o^b + P_1^b)}{2}$

S^o and S^i denote the volumes of output and input stocks respectively.

N^b and N^o denote the numbers of breeding and other livestock respectively.

C^o denotes the cost of production of output stocks in the current year.

C^o denotes the cost of production of non-breeding livestock calculated as (i) the average current-year cost for animals whose production cycle is less than a year and (ii) actual historic costs, to the end of the current year, for other animals.

C^b denotes the actual historic costs of production for animals entering the breeding herd at the end of the current year.

P^i denotes the market prices of inputs.

P^o, P^o and P^b all denote market prices (of output stocks, etc.) *less* marketing expenses.

R^i denotes original purchase prices of inputs.

Subscripts o and 1 denote opening and closing quantities or prices.

There is an exception in the case of the FMS for Northern Ireland in which the breeding livestock item is calculated as $(N_1^b - N_o^b)P_1^b$.

It should be noted that whereas all four of these stock change items are separately identified in the DNIC, they are amalgamated under the heading 'valuation change' in the FMS.

33. The estimate has been obtained by grossing-up the corresponding tenanted land estimate (net rent) according to the ratio of the aggregate land and buildings valuation for all agricultural land to the corresponding valuation for tenanted land.

Summary statistics derived from the departmental net income calculation for agriculture

TABLE 1

£ million

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980 (forecast)	*Percentage change 1970–1980*	*Percentage change 1970–1976*	*Percentage change 1976–1980*
Gross Output	2,475	2,713	2,949	3,774	4,276	5,013	6,133	6,893	7,299	8,163	8,886	*+259*	*+148*	*+ 45*
— Gross Input	1,279	1,388	1,499	1,904	2,315	2,592	3,186	3,739	3,884	4,436	4,784			
= Gross Product	1,196	1,325	1,451	1,871	1,961	2,421	2,947	3,154	3,415	3,728	4,102	*+243*	*+146*	*+ 39*
— Depreciation	194	217	252	298	402	518	607	721	832	954	1,095			
= Net Product	1,003	1,107	1,199	1,573	1,558	1,904	2,339	2,433	2,583	2,774	3,007	*+200*	*+133*	*+ 29*
Comprising Labour – hired	245	275	304	357	429	527	624	716	786	909	1,055	*+331*	*+155*	*+ 69*
– family, partners and directors	104	118	132	152	185	229	257	262	313	345	407	*+291*	*+147*	*+ 58*
Interest	49	47	54	88	124	124	139	153	188	316	460	*+839*	*+184*	*+231*
Net Rent	30	31	32	29	25	28	36	45	54	59	59	*+ 97*	*+ 20*	*+ 64*
Farming Income	575	637	677	947	795	995	1,283	1,256	1,243	1,145	1,025	*+ 78*	*+123*	*— 20*
Other Summary Indicators:														
Farming Income + Net Rent (= Net Income)	605	668	709	976	820	1,024	1,319	1,301	1,297	1,204	1,084	*+ 79*	*+118*	*— 18*
Farming Income + FPD Labour	679	755	809	1,099	980	1,224	1,540	1,519	1,556	1,490	1,433	*+111*	*+127*	*— 7*
Farming Income + Net Rent + FPD Labour	709	786	841	1,128	1,005	1,252	1,576	1,564	1,610	1,549	1,492	*+110*	*+122*	*— 5*
Farming Income + Net Rent + Interest	653	715	762	1,065	944	1,148	1,458	1,454	1,485	1,520	1,545	*+136*	*+123*	*+ 6*
Farming Income + FPD Labour + Interest	728	801	863	1,187	1,104	1,348	1,679	1,672	1,744	1,806	1,893	*+160*	*+131*	*+ 13*
Farming Income + Net Rent + FPD Labour + Interest	757	832	894	1,216	1,129	1,376	1,715	1,716	1,798	1,865	1,952	*+158*	*+126*	*+ 14*
Simple Cash Flow series for														
Farmers	537	530	511	749	667	1,151	1,261	1,049	1,122	1,086	1,037	*+ 93*	*+135*	*— 18*
Farmers and Landlords	551	548	533	767	678	1,175	1,304	1,117	1,206	1,184	1,150	*+109*	*+137*	*— 12*
Farm households	641	648	643	901	852	1,380	1,518	1,311	1,435	1,431	1,445	*+125*	*+137*	*— 5*
Farm households and Landlords	655	666	665	919	863	1,404	1,561	1,380	1,519	1,530	1,557	*+138*	*+138*	*—*
In addition:														
Increase in value of output stocks	27	1	122	137	101	— 46	172	19	134	147	34			
Retail Price Index (January 1974 = 100)	73·1	80·0	85·7	93·5	108·5	134·8	157·1	182·0	197·1	223·5	263·7	*+261*	*+115*	*+ 68*

Notes: [1] The 'family, partners and directors' component of labour (FPD Labour) is an imputed one and covers non-principal partners, directors and regular family workers not included in other categories of the industry's labour force.

[2] The term 'Farmers' is inclusive of spouses and 'Farm Households' additionally covers other family workers, partners and directors.

[3] This table has been compiled from data available at Annual Review 1981.

The UK agricultural labour force, 1973 and 1979

('000's persons doing farmwork; excluding persons on statistically insignificant holdings)

TABLE 2

	1973					1979				
	England	Wales	Scotland	Northern Ireland	United Kingdom	England	Wales	Scotland	Northern Ireland	United Kingdom
Farmers, Partners, Directors and their Spouses										
Whole-time, Principal Farmers and Partners	..	..	..	..	..	108·6	20·6	14·4	..	..
Other Partners and Directors	..	..	..	..	..	32·8	4·9	5·7	..	..
Total	150·9	23·4	21·2	26·2	221·7	141·4	25·6	20·1	28·4	215·5
Part-time, Principal Farmers and Partners	..	..	..	..	..	34·0	6·3	8·6	..	..
Other Partners and Directors	..	..	..	..	..	18·4	2·4	0·6	..	..
Total	41·1	4·9	8·7	11·3	66·0	52·4	8·7	9·2	10·3	80·7
Total Farmers, Partners and Directors	192·0	28·3	29·9	37·5	287·7	193·8	34·3	29·3	38·7	296·1
Spouses of Principal Farmers, Partners and Directors	..	..	..	..	..	43·0	9·7	..	..	..
Spouses of Other Partners and Directors	..	..	..	..	..	4·2	0·6	..	..	..
Total Spouses	..	..	7·7	..	..	47·2	10·3	7·9	6·5	71·9
Salaried Managers	5·3	0·3	0·8	—	6·3	6·9	0·3	0·8	—	8·0
Regular Whole-time Workers – Family	39·5	8·4	7·5	9·7	65·2	19·2	3·5	7·4	5·4	35·5
– Hired	149·3	6·2	22·0	4·2	181·7	127·5	5·2	15·9	3·0	151·5
– Total	188·8	14·6	29·5	13·9	246·9	146·7	8·6	23·2	8·4	187·0
Regular Part-time Workers – Family	23·1	3·2	1·9	5·7	33·9	10·7	1·8	2·4	4·2	19·0
– Hired	40·6	1·8	3·5	4·9	50·9	37·8	1·8	3·2	1·6	44·4
– Total	63·7	5·0	5·4	10·7	84·8	48·5	3·6	5·6	5·8	63·4
Total Regular Workers – Family	62·7	11·6	9·4	15·4	99·1	29·9	5·2	9·7	9·6	54·5
– Hired	189·9	8·0	25·5	9·2	232·6	165·3	7·0	19·1	4·6	196·0
– Total	252·5	19·6	34·9	24·6	331·6	195·2	12·2	28·9	14·2	250·5
Seasonal or Casual Workers (family or hired)	67·8	6·2	4·2	—	78·2	74·6	8·5	5·3	5·3	93·6

Post-tax cash flow series

TABLE 3

	£ million					
	1975	1976	1977	1978	1979	1980 (forecast)
Simple cash flow of farm households (from Table 1) (group iv)	1,380	1,518	1,311	1,435	1,431	1,445
— Paid family labour ($\frac{3}{5}$ of the family labour bill)	74	79	75	92	89	100
— Directors labour ($\frac{1}{6}$ of the partners labour bill)	20	23	25	29	35	43
= Pre-tax cash flow of farmers, their spouses and partners (group ii)	1,287	1,416	1,211	1,314	1,307	1,302
+ Capital grants	66	62	79	114	137	197
— Schedule D income tax	128	136	163	181	179	156
— Corporation Tax and advance corporation tax	15	17	22	27	31	32
+ Child benefits	13	14	15	24	42	46
— National Insurance Class II contributions	25	26	28	23	22	26
— National Insurance Class IV contributions	0	11	18	22	14	16
+ National Insurance retirement pensions	33	39	45	51	58	68
= Post-tax cash flow of farmers, their spouses and partners (group ii)	1,230	1,342	1,120	1,251	1,298	1,384
+ Directors pay (net of the employee's share of National Insurance Class I and Schedule E income tax)	14	16	17	20	25	30
= Post-tax cash flow of decision makers (group iii)	1,244	1,358	1,138	1,272	1,323	1,413
+ Paid family wages (net of the employee's share of National Insurance Class I and Schedule E income tax)	52	55	53	64	61	68
= Post-tax cash flow of farm households (group iv)	1,296	1,413	1,190	1,336	1,384	1,482

Indices of net income (excluding BLSA), 1971/72–1979/80

TABLE 4

Broad Farm Type	Country	Specific Farm Type	Classification by standard man days[2,3,4]							Classification by standard gross margins[2,3]		
			1971/72	1972/73	1973/74	1974/75	1975/76	1976/77	1977/78	1977/78	1978/79	1979/80
Dairy	England	Specialist dairy[1]	44	56	53	44	71	74	100	100	111	88
		Mainly dairy[1]	49	65	71	63	95	98	100	100	120	90
	Wales	Specialist dairy[1]	36	46	47	36	64	78	100	100	130	106
		Mainly dairy[1]	45	62	69	42	82	92	100	100	116	81
	Scotland	Dairy	46	60	52	56	108	113	100			
		Specialist dairy } Dairy								100 } 100	98 } 86	53 } 44
		General dairy } Dairy								100 }	77 }	34 }
	N.I.	Dairy	31	47	39	31	79	95	100			
		Specialist dairy								100	128	52
		Mainly dairy								100	113	10
Livestock (Cattle and Sheep)	England	Mostly sheep	42	56	79	53	68	88	100			
		Cattle and sheep	46	70	72	62	82	92	100			
		Hill and upland (LFA) cattle and sheep								100	115	52
		Lowland cattle and sheep								100	102	39
		Lowland cropping, cattle and sheep								100	130	106
	Wales	Mostly sheep	31	41	60	40	55	84	100			
		Cattle and sheep	34	46	55	41	68	88	100			
		Hill and upland (LFA) sheep								100	112	47
		Hill and upland (LFA) cattle and sheep								100	127	70
		Lowland livestock								100	109	71
	Scotland	Hill sheep	47	64	78	58	69	92	100			
		LFA mainly sheep								100	114	75
		Upland rearing	45	68	72	74	91	104	100			
		LFA sheep and cattle								100	120	65
		LFA mainly cattle								100	139	78
		Arable rearing and feeding	24	51	65	83	141	169	100			
		Lowground cattle and sheep								100	106	113
	N.I.	Cattle and sheep	35	66	30	21	87	117	100			
		LFA cattle and sheep								100	149	34
		Non LFA cattle and sheep								100	155	−39
Cropping	England	Cropping: mostly cereals	26	35	80	83	73	96	100			
		Specialist cereals								100	140	111
		General cropping[1]	59	79	138	144	217	232	100	100	209	228
	Scotland	Cropping[1]	38	68	100	127	270	284	100	100	82	188
Pigs and Poultry	England	Pigs and poultry[1]	48	59	93	77	148	112	100	100	147	120
	N.I.	Pigs and poultry[1]	17	28	40	31	69	77	100	100	126	44
Horticulture	England	Horticulture[1]	48	72	82	94	131	148	100	100	160	169
Other	England	Mixed	51	66	96	87	127	117	100			
	Scotland	Rearing with arable	35	58	54	76	96	118	100			
		LFA with arable								100	73	64
	N.I.	Dairy with pigs and poultry	16	26	23	23	62	71	100			
		Cattle, sheep and pigs	34	66	63	46	147	140	100			
		Mixed	39	72	61	45	132	162	100			
		Non LFA cropping, cattle and sheep								100	157	30
		Mixed livestock								100	99	31
'All farms'	England		46	61	81	74	104	109	100	100	142	121
	Wales		39	51	58	43	69	87	100	100	122	81
	Scotland		41	64	70	83	143	154	100	100	99	80
	N.I.		30	50	41	34	91	110	100	100	133	33
	UK		41	58	72	68	104	113	100	100	135	107
Retail Price Index (January 1974 =100) for March-February years			81·0	86·8	95·4	111·9	139·5	161·2	184·8	184·8	200·1	229·2

Notes:

[1] The use of the same names for certain farm types under the old and new systems of classification does not mean that they cover exactly the same groups of farms.

[2] Indices shown under the old classification reflect net income after deducting depreciation at historic cost; under the new classification depreciation is computed at current cost.

[3] The farm size groups aggregated are:

	England	*Wales*	*Scotland*	*Northern Ireland*
Old Classification (SMD)	275–4199	275–4199	275 and over	200 and over
New Classification (ESU)	4 < 250	4 < 100	8 < 100	4 < 40

[4] Farms in Northern Ireland were classified by Standard Gross Margins under the old classification, though the coefficients and farm types were different from those in the new classification. They were allocated to size groups by Standard Man Days

Enterprise studies: indices of net margins (per unit) and net incomes (per holding) in England and Wales, 1975-1980

TABLE 5

			1975	1976	1977	1978	1979	1980 (provisional)
Livestock	Milk[1]	Net Margin/Cow ..	77	51	100	94	72	77
		Net Income/Holding ..	76	57	100	103	93	110
	Beef cattle sold at 2 years of age[2]	Net Margin/Head ..	− 47	198	100	91	126	12
		Net Income/Holding ..	− 1	146	100	97	121	62
	Lowland fat lamb production (England only)[3]	Net Margin/Ewe ..	35	83	100	122	54	87
		Net Income/Holding ..	46	88	100	122	74	109
	Slaughtered Pigs[1]	Net Margin/Pig ..	266	− 42	100	128	17	81
		Net Income/Holding ..	199	− 6	100	136	48	112
Crops[4]	Wheat	Net Margin/Hectare ..	69	75	100	113	114	135
		Net Income/Holding ..	63	76	100	124	136	169
	Barley	Net Margin/Hectare ..	71	112	100	117	137	131
		Net Income/Holding ..	67	100	100	115	134	131
	Oilseed Rape	Net Margin/Hectare ..	21	58	100	94	151	215
		Net Income/Holding ..	22	57	100	95	150	212
	Sugar Beet	Net Margin/Hectare ..	37	22	100	141	223	141
		Net Income/Holding ..	38	28	100	146	234	156
	Maincrop Potatoes[5]	Net Margin/Hectare ..	313	298	− 19	61	114	−7
		Net Income/Holding ..	308	286	− 17	65	123	−5

Notes: [1] Estimates refer to years beginning 1 April.
[2] Estimates refer to calendar years.
[3] Estimates refer to years beginning in the previous autumn.
[4] Estimates refer to the year of harvest.
[5] In this index the average of 1976, 1977 and 1978 = 100.

Inland Revenue data and comparisons with DNIC based series

TABLE 6

£ million

	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980 (forecast)
Inland Revenue data for agriculture and horticulture											
(i) 'In year' assessments, for Inland Revenue years beginning in the following November											
Gross Trading Profits – Self employment	465	598	712	810	856	1,095	1,332	1,471	1,630	1,695	Series to be terminated
(ii) 'For year' assessments, for tax years beginning the following 6 April											
Gross Trading Profits – Self employment	..	..	..	..	850	1,115	1,330	1,470	1,650	1,700	
– Companies	45	55	67	88	80	131	188	204	243	282	..
– Total	..	..	..	..	930	1,246	1,518	1,674	1,893	1,982	..
(iii) Trends Sample of 'for year' assessments for tax years beginning the following 6 April											
Percentage change on previous year											
Gross Trading Profits – Self employment	..	..	..	..	..	..	+ 19	+ 12	+ 13	+ 4	– 1
– Companies	..	..	..	..	..	..	+ 38	+ 4	+ 19	+ 16	..
DNIC series											
(i) Farming Income + Imputed Labour Income of Partners	611	679	727	1,007	874	1,094	1,398	1,381	1,389	1,322	1,240
(ii) Equivalent estimate of 'Gross Trading Profit'											
(*a*) higher	804	926	1,008	1,458	1,489	1,780	2,206	2,171	2,216	2,329	2,371
(*b*) lower	743	862	929	1,361	1,384	1,675	2,092	2,050	2,075	2,177	2,198

Notes: [1] The 'in year' figure of self employment income for 1979 is an estimate.

[2] The 'for year' figures of self employment income are reasonably firm for the first two years given. Those for the more recent years are estimates based, to an increasing extent, on information derived from the Trends sample.

[3] The 1970 and 1971 'for year' figures of company profits have been adjusted by the Inland Revenue to make them as consistent as possible with the figures for later years. The 1978 and 1979 figures are estimates based on information from the Trends sample.

[4] The DNIC series are compiled from data available at Annual Review 1981.

Summary of information from the survey of personal incomes 1977/78, for single persons and married couples with a schedule D case I or II income from agriculture or horticulture

TABLE 7

	Single males		Single females and widows		Married couples		of which Husbands		of which Wives		All persons	
	Number '000	Value £ million	Number '000	Value £ million	Number '000	Value £ million	Number '000	Value £ million	Number '000	Value £ million	Number '000	Value £ million
Earned income												
Schedule D case I or II												
Agriculture and Horticulture												
Gross Trading Profit	58	169	17	46	195	997	189	848	47	149	311	1,213
less capital allowances, stock relief and losses	25	37	7	12	..	335	116	289	25	46	173	383
= Income	58	132	17	34	195	663	189	559	47	104	311	829
Other sources (only applies to married couples where the other partner has an income from agriculture or horticulture)												
Gross Trading Profit	..	..	..	..	4	15	1	7	4	9	4	15
less capital allowances, stock relief and losses	..	..	..	..	2	8	1	3	1	5	2	8
= Income	..	..	..	..	4	7	1	4	1	3	4	7
Schedule E												
Pay (from other employments)	4	9	—	1	47	146	24	79	32	67	61	156
+Wives' earnings for which deduction card not issued including earnings from husbands, business	..	..	..	..	55	32	..	..	55	32	55	32
– expenses	2	—	—	—	..	1	11	1	4	—	16	2
= Earned Income	4	9	—	1	..	177	24	78	87	99	116	187
Occupational pensions	1	—	1	1	7	9	..	8	1	1	9	10
National Insurance retirement pension	9	7	12	10	24	30	..	..	..	..	45	47
Investment income	36	35	14	19	144	183	..	..	..	..	..	237
Total Income	58	183	17	65	195	1,069	..	..	..	..	311	1,316

International comparisons of taxes and social security contributions, 1970-79*

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Introduction

This article compares levels and types of taxation in 18 countries within the Organisation for Economic Co-operation and Development (OECD).

The main points of interest are described in the following paragraphs, together with summary tables. Detailed figures for each country for 1970 and 1973 onwards are given in the Appendix. Information on sources and definitions is given in the Technical Notes at the end of the article.

Taxation in relation to the gross national product

The percentage of gross national product taken by taxation differs greatly (see Table A). In 1979 Norway was at the top of the list with taxes, including social security contributions, taking 56 per cent of the gross national product. Other countries with proportions in excess of 50 per cent were Sweden and the Netherlands. These countries also had the highest percentages in 1970. At the other end of the scale was Japan with taxes, including social security contributions, taking 27 per cent of the gross national product.

For most countries included in the table there has been an upward trend in the percentage of GNP taken by taxes and social security contributions during the nine-year period covered. The biggest increase was in the Netherlands with a rise of 10 percentage points. Other large increases occurred in Belgium, Norway and Sweden. For two countries – Canada and the United Kingdom – the 1979 percentage was below the 1970 figure. Over the nine-year period the percentage for the United Kingdom declined steadily between 1970 and 1973, rose in the following two years and has remained at around the 40 per cent level up to 1979.

* Articles making comparisons of this nature have appeared in *Economic Trends* regularly since 1969 but the earlier articles contained less country detail.

Limitations of the comparisons

Various factors affect analyses of this nature, so the comparisons should be regarded as giving only a broad indication of the relative importance of taxation in different countries.

Differences between countries in their economic and financial structures and the degree of government involvement in the provision of services have an effect on total taxation, the form of taxation, and the composition of taxes.

Comparisons are affected by the methods governments choose to achieve their aims, (for example through systems of tax allowances which tend to reduce government tax receipts or by a gross system under which money is collected and then handed back as cash grants).

The inclusion or exclusion of social security contributions can have a marked effect on comparisons between countries.

Finally, the figures relate to total tax yields in each country and reveal nothing about the incidence of tax on different groups.

The exclusion of social security contributions can have a marked effect on the percentages for some countries. Australia, because no separate social security contributions are collected, moves sharply up the rankings in 1979 from eleventh to fourth place and Finland, where social security contributions are relatively small, moves from eighth to fifth position. On the other hand, those countries where social security contributions form a fairly substantial part

Taxes and social security contributions as a percentage of gross national product at factor cost

TABLE A

Including social security contributions

	1970		1979	
	Percentage	Rank	Percentage	Rank
Norway	48	1	56	1
Sweden	46	2	55	2
Netherlands	44	3	54	3
Belgium[1]	39	7	48	4
France	41	5	47	5
German Federal Republic	39	6	44	6
United Kingdom	43	4	40	7
Finland	36	9	39	8
Italy	30	10	35	9
Canada	37	8	35	10
Australia	28	11	34	11
Greece[1]	28	11	32	12
Switzerland[1]	25	13	31	13
Japan	21	14	27	14

Excluding social security contributions

	1970		1979	
	Percentage	Rank	Percentage	Rank
Norway	37	3	42	1
Sweden	38	1	40	2
Belgium[1]	27	8	34	3
Australia	28	6	34	4
Finland	31	5	34	5
United Kingdom	37	2	34	6
Netherlands	28	7	33	7
Canada	34	4	31	8
German Federal Republic	27	9	29	9
France	26	10	27	10
Greece[1]	21	11	23	11
Switzerland[1]	19	12	22	12
Italy	19	13	21	13
Japan	17	14	19	14

[1] Former SNA – for details see Technical Notes, pages 13–14.

of total tax revenues move down the rankings. France drops from fifth to tenth position and the Netherlands from third to seventh place.

Preliminary estimates for 1980

Provisional data for 1980 for some of the member countries of OECD are available from the latest edition of *OECD Revenue Statistics*. As Table B shows, changes between 1979 and 1980 in the proportion of the gross domestic product at market prices taken by taxes and social security contributions varied widely, with about half the countries showing a reduction. For the United Kingdom there was an increase of nearly 2 percentage points. These changes, however, had little effect on the ranking among countries. These figures are not on the same basis as those contained in the rest of this article, and those for 1980 may be revised.

Although the corresponding estimates on a national accounts basis are not yet available, it is likely that these will present a similar picture.

Total tax revenues as a percentage of gross domestic product at market prices

TABLE B

	1979	1980	Change
Sweden	50·3	49·9	−0·4
Norway	46·1	47·4	+1·3
Netherlands	47·4	46·2	−1·2
Denmark	44·1	45·1	+1·0
France	41·2	42·5	+1·3
Belgium	44·7	42·5	−2·2
Austria	41·4	41·5	+0·1
Irish Republic	33·8	37·5	+3·7
German Federal Republic	37·3	37·2	−0·1
United Kingdom	34·0	35·9	+1·9
Finland	35·0	34·5	−0·5
Canada	31·0	32·8	+1·8
Switzerland	31·1	30·7	−0·4
United States	31·3	30·7	−0·6
Portugal	25·8	29·8	+4·0
Japan	24·8	25·9	+1·1
Spain	23·3	23·2	−0·1

Percentage of total taxation (including social security contributions) derived from taxes on household income[1]

TABLE C

	1970	1979
Australia	38	45
Sweden	46	43
Finland	37	39
Switzerland[2]	36	37
Belgium[2]	25	37
Canada	33	34
United Kingdom	32	31
Netherlands	28	28
German Federal Republic	26	27
Japan	20	23
France	13	14
Greece[2]	12	13

[1] Including payments by unincorporated businesses and, for those countries which have adopted the present SNA, motor vehicle licence duties paid by households.
[2] Former SNA.

Percentage of total taxation (including social security contributions) derived from taxes on corporate income

TABLE D

	1970	1979
Japan	21	17
Canada	12	14
Australia	17	10
Switzerland[1]	10	8
United Kingdom	9	8
Belgium[1]	7	7
Netherlands	7	6
France	7	5
German Federal Republic	5	5
Finland	6	4
Greece[1]	2	4
Sweden	4	2

[1] Former SNA.

Percentage distribution of total taxes by category of tax

Apart from Australia and Belgium, the share of total tax which was derived from taxes on household income in 1979 was about the same as in 1970 (see Table C). In Australia the share increased by 7 percentage points while in Belgium there was an increase of 12 points. For the United Kingdom the 1979 figure was at almost the same level as in 1970 but this represents a fall of 8 percentage points from the level reached in 1975 and 1976.

In most countries the proportion of tax revenue derived from taxes on corporate income in 1979 was little different from that in 1970 (see Table D). The exceptions were Australia and Japan where the percentages fell by 7 points and 4 points respectively.

As Table E shows, for all countries except Australia and the United Kingdom the percentage of tax revenue raised through taxes on expenditure was lower in 1979 than in 1970. The largest falls were in Belgium and Italy, both down 10 percentage points. Other large falls occurred in France, Norway, Japan and Switzerland. For the United Kingdom, over the nine-year period the share of tax revenue obtained from taxes on expenditure fell steadily between 1970 and 1975, but has increased continuously since then, with a sharp rise of 4 percentage points between 1978 and 1979. This was largely counterbalanced by a fall of 3 percentage points in the share taken by taxes on income in these two years and reflected the shift from direct to indirect taxation introduced in the 1979 Budget.

Percentage of total taxation (including social security contributions) derived from taxes on expenditure

TABLE E

	1970	1979
Greece[1]	58	53
Australia	43	44
United Kingdom	43	44
Finland	43	42
Canada	44	40
France	43	37
Norway	44	36
German Federal Republic	37	33
Italy	41	31
Japan	36	30
Belgium[1]	37	27
Sweden	31	27
Netherlands	28	27
Switzerland[1]	29	23

[1] Former SNA.

Almost all countries showed an increase in the share of total tax revenue provided by social security contributions in 1979 compared with 1970, with the largest rises appearing in France, Japan, Sweden and Switzerland. In the United Kingdom the share in 1979 was 3 percentage points higher than in 1970 but the 1979 figure was 2 points below the peak of 19 per cent reached in 1976.

Receipts from taxes on capital are relatively small in most countries and the tendency has been for the contribution which these taxes made to the total to decline between 1970 and 1979.

Percentage of total taxation (including social security contributions) derived from social security contributions

TABLE F

	1970	1979
France	36	43
Italy	39	39
Netherlands	37	39
German Federal Republic	31	35
Switzerland[1]	23	31
Japan	22	29
Greece[1]	26	29
Belgium[1]	30	29
Sweden	19	27
Norway	23	26
United Kingdom	14	17
Finland	14	14
Canada	9	11
Australia	0	0

[1] Former SNA.

Taxes on household income and social security contributions as a percentage of total personal income in 1970 and 1979

There are considerable variations among countries in the proportion of household income taken by direct tax and social security contributions. The figures range from around 15 per cent in Australia and Japan to over 30 per cent in Sweden and the Netherlands but these percentages are influenced by the factors described above under 'limitations of the comparisons'.

A further element affecting these comparisons is the treatment of employers' social security contributions. In the national accounts, both employees' and employers' social security contributions form part of personal income.† An alternative approach which may better reflect the impact of taxes and contributions as perceived by the taxpayer is to include only employees' contributions‡ to social security schemes in the calculations (i.e. to exclude employers' contributions from both total personal income and social security contributions). Figures on both bases are shown in summary form in Table G.

In nearly all the countries for which information is available, the proportion of household income taken by way of direct taxes and social security contributions was higher in 1979 than in 1970. The largest increases occurred in Sweden and Switzerland where the percentage rose by 6 points. For the United Kingdom there was a fall of one percentage point.

Percentage of total personal income taken by taxes on income of households and social security contributions

TABLE G

	1970	1979
Including employers' contributions		
Sweden	32	38
Netherlands	27	32
France	20	24
Switzerland[1]	17	23
United States	19	22
United Kingdom	21	20
Canada	18	18
Australia	12	16
Japan	11	15
	1970	**1979**
Excluding employers' contributions		
Sweden	28	28
Netherlands	21	25
Switzerland[1]	15	20
United States	16	18
United Kingdom	18	16
Australia	12	16
Canada	16	15
France	11	13
Japan	8	11

[1] Former SNA.

The overall effect of excluding employers' social security contributions is, of course, to reduce the size of the percentages. The reductions are particularly large in France where the total percentages, excluding employers' contributions, are reduced to nearly half the corresponding figures including these contributions in both years. The percentage for Sweden in 1979 is also reduced sharply when employers' contributions are excluded. These movements indicate the relative importance in these countries of employers' contributions in the financing of social security.

† Described as 'total current receipts of households' in the OECD national accounts publication.
‡ Also includes contributions by the self-employed and non-employed.

TECHNICAL NOTES

Sources

The figures in the tables for taxes on income, taxes on expenditure and social security contributions are based on returns supplied to the OECD by national statistical offices and summarised in *National Accounts of OECD countries 1962–1979.*§ ‖ Taxes on capital – which in the national accounts presentation are included indistinguishably in capital transfers – have been derived from *Revenue Statistics of OECD Member Countries 1965–1980.* Figures for value added tax apart from the United Kingdom have also been obtained from this publication.‖

Differences between OECD national accounts statistics, and OECD Revenue Statistics

The definition of taxes and social security contributions used in *Revenue Statistics* differs from that used in the national accounts returns, but after allowing for capital taxes, the relative positions of the different countries are little affected. Preference has been given to using national accounts data as the prime source for this article because the figures will be more consistent with other statistics which are frequently derived from the national accounts publication. More details of the differences in definitions are given below, together with a table comparing the two sets of figures for 1970 and 1979.

Item	National accounts	Revenue Statistics
Taxes on capital	Not identified	Identified
Profits above 'normal' transferred from public enterprises to government[1]	Tax on expenditure	Non-tax revenue
Radio and TV licences, if public authority does not provide the service	Tax on income	Non-tax revenue
Certain licences and fees – paid by households (dog licences, hunting, shooting and fishing licences)	Non-tax revenue	Tax on goods and services
– paid by enterprises (court fees and airport charges)	Tax on expenditure	Non-tax revenue
Time of recording	At time due to be paid	At time public authority receives the money

[1] No transactions of this nature have occurred in the United Kingdom.

The table below shows for each country the effect that these differences have on the total tax figures contained in the two publications, and the ranking of the countries.

Total taxes including social security contributions: percentage of GNP at factor cost, and ranking

TABLE A

	1970				1979			
	National accounts[1]		Revenue Statistics		National accounts[1]		Revenue Statistics	
	Percentage	Rank	Percentage	Rank	Percentage	Rank	Percentage	Rank
Australia	28·2	11	28·7	11	34·3	11	34·6	10
Belgium	38·7	7	39·7	6	48·1	4	49·8	4
Canada	37·3	8	38·5	7	35·0	10	37·1	9
Finland	35·6	9	36·4	9	39·4	8	39·8	7
France	40·7	5	40·8	5	46·8	5	46·8	5
German Federal Republic	39·0	6	37·0	8	44·1	6	41·8	6
Italy	30·3	10	30·8	10	35·3	9	32·2	11
Japan	21·1	13	21·6	13	26·8	13	27·0	13
Netherlands	44·3	3	44·1	3	53·6	3	52·8	3
Norway	47·9	1	45·5	2	56·5	1	53·6	2
Sweden	46·3	2	45·9	1	54·9	2	54·8	1
Switzerland	25·1	12	24·4	12	31·4	12	31·6	12
United Kingdom	43·4	4	43·4	4	40·4	7	38·3	8

[1] Including taxes on capital.

Re-arranging the percentages in Table A into descending order of magnitude puts the United Kingdom fourth in the list in 1970 according to both the national accounts data and on the basis of Revenue Statistics. Most other countries also remain in similar relative positions according to both sources. By 1979, however, the United Kingdom had moved down the list to seventh position on the national accounts basis and eighth according to Revenue Statistics, while Belgium had moved up from seventh position on the national accounts basis and sixth according to Revenue Statistics to fourth position according to both sources. The difference of two percentage points between the United Kingdom figures for 1979 shown in the two sources is mainly due to a difference in the time of recording revenue from VAT. In the national accounts VAT is recorded at the time expenditure on the goods by final buyers is incurred, whereas Revenue Statistics records the tax when received by Customs and Excise.

§ Volume II – Detailed Tables.
‖ The figures for the United Kingdom are consistent with the data contained in *National Income and Expenditure, 1981 Edition.*

Differences between the United Kingdom system, the Former SNA and the Present SNA

The national accounts returns are based as far as possible on the System of National Accounts introduced by the United Nations in 1968 (the 'present SNA'). However some countries are still only able to provide figures on the basis of the previous system (the 'Former SNA'). The figures on one basis are not strictly comparable with those on the other but the differences in definitions have little effect on the comparisons made in this article.

The main differences between the United Kingdom system and the international systems are summarised in the following table. Only figures based on the Former SNA and the Present SNA are included in the Appendix tables.

	UK system	Former SNA	Present SNA
Definition of gross national product at factor cost			
(i) Net property income from abroad			
a. Unremitted profits	Included	Excluded	Excluded
b. Profits remitted abroad	Measured after deduction of tax	Measured before deduction of tax	Measured before deduction of tax
(ii) Rent income of public authorities (other than from dwellings)	Includes only capital consumption in place of imputed rents	Includes imputed rents before deducting interest and depreciation	Includes only capital consumption in place of imputed rents
Definition of taxes			
(i) Taxes on income			
a. Tax on profits remitted abroad	Included	Excluded[1]	Excluded[1]
b. Motor vehicle licence duties paid by households	Excluded	Excluded	Included
c. Taxes on capital gains[2]	Excluded	Excluded[3]	Included
(ii) Taxes on expenditure			
a. Motor vehicle licence duties paid by households	Included	Included	Excluded
b. Compulsory fees, fines and penalties	Included	Included	Excluded

[1] But included in the figures used in this article.

[2] For the United Kingdom, the betterment levy (introduced in 1967) and the development land tax (introduced in 1977) – both representing a charge on the development value of land – are classified and treated in the same way as taxes on capital gains.

[3] Included in taxes on capital in this article.

APPENDIX

Taxes including social security contributions as a percentage of gross national product at factor cost

TABLE 1

	Percentages							
	1970	1973	1974	1975	1976	1977	1978	1979
Australia[1]	28·2	29·5	31·9	33·1	33·6	33·6	32·9	34·3
Austria	42·5	45·1	45·5	45·7	44·6	46·3	..	..
Belgium[2]	38·7	40·5	41·7	44·6	44·7	46·4	47·6	48·1
Canada	37·3	36·9	38·8	36·7	36·6	36·6	35·7	35·0
Finland	35·5	38·8	37·9	39·8	43·6	43·4	41·1	39·4
France	40·7	40·5	41·2	42·4	44·7	44·4	44·6	46·8
German Federal Republic	39·0	42·8	43·0	42·2	43·8	45·1	44·4	44·1
Greece[2]	28·3	25·9	26·1	27·4	30·0	31·0	31·9	31·9
Irish Republic	38·0	37·9	37·8	37·5	42·9	39·9	37·0	..
Italy	30·3	29·9	30·5	30·8	33·0	34·7	35·9	35·3
Japan	21·1	22·5	24·6	24·1	23·5	24·9	24·7	26·8
Netherlands	44·3	48·8	49·3	51·6	50·9	52·2	53·3	53·6
Norway	47·9	55·2	53·2	54·2	55·6	56·3	56·1	56·5
Spain	19·7	21·8	20·5	21·9	22·9	24·1	24·3	..
Sweden	46·3	47·5	47·9	49·3	54·3	57·7	56·3	54·9
Switzerland[2]	25·1	27·5	28·1	30·4	31·9	31·6	32·0	31·4
United Kingdom	43·4	36·9	39·7	40·6	39·9	40·1	38·8	40·4
United States	32·9	33·4	34·2	32·3	33·3	33·6	33·8	..

[1] Fiscal years beginning on 1 July of year indicated.
[2] Former SNA.

Taxes excluding social security contributions as a percentage of gross national product at factor cost

TABLE 2

	Percentages							
	1970	1973	1974	1975	1976	1977	1978	1979
Australia[1]	28·2	29·5	31·9	33·1	33·6	33·6	32·9	34·3
Austria	32·2	34·0	34·4	34·2	33·1	34·1	..	..
Belgium[2]	27·2	27·9	28·9	30·7	30·9	32·3	33·9	34·4
Canada	33·9	33·6	35·0	32·7	32·3	32·3	31·5	31·2
Finland	30·6	32·8	31·8	32·9	36·4	36·3	34·7	33·7
France	25·9	25·3	25·3	25·1	26·7	25·7	25·8	26·8
German Federal Republic	26·7	28·7	28·5	27·2	28·2	29·4	28·8	28·5
Greece[2]	20·8	19·0	19·2	20·1	21·8	22·1	22·5	22·6
Irish Republic	33·1	32·5	31·5	30·5	35·4	32·7	30·4	..
Italy	18·6	17·6	17·7	16·9	19·2	21·1	22·4	21·4
Japan	16·5	17·6	19·2	17·3	16·7	17·6	17·4	18·9
Netherlands	28·1	30·2	29·8	31·3	31·2	32·3	32·9	32·7
Norway	36·7	39·3	38·1	38·9	40·9	41·3	41·2	41·8
Spain	12·6	13·0	11·7	12·0	12·2	12·4	12·3	..
Sweden	37·6	38·1	38·4	39·7	41·7	43·1	41·1	39·9
Switzerland[2]	19·4	20·2	20·4	21·9	23·0	22·4	22·5	21·8
United Kingdom	37·4	30·9	33·1	33·4	32·4	32·6	31·9	33·5
United States	26·3	25·7	26·1	24·4	25 3	25·5	25·5	..

[1] Fiscal years beginning on 1 July of year indicated.
[2] Former SNA.

Analysis of taxes by type of tax as a percentage of gross national product at factor cost in 1970 and 1979

TABLE 3

Percentages

	Taxes on income				Taxes on expenditure			
	Households[1]		Corporations		Total		*of which:* VAT	
	1970	1979	1970	1979	1970	1979	1970	1979
Australia[2]	10·6	15·3	4·8	3·6	12·1	15·2	—	—
Austria	10·5	11·9[4]	2·4	2·0[4]	19·2	19·1	—	9·8
Belgium[3]	9·7	17·7	2·7	3·2	14·4	13·1	0·4	8·3
Canada	12·2	12·0	4·6	4·8	16·4	14·1	—	—
Finland	13·1	15·2	2·1	1·7	15·4	16·7	—	—
France	5·5	6·5	2·7	2·5	17·4	17·5	10·4	10·0
German Federal Republic	10·1	11·8	2·1	2·2	14·5	14·4	6·3	6·7
Greece[3]	3·4	4·1	0·6	1·2	16·5	16·8	—	—
Irish Republic	..	..	..	..	22·3	17·6	—	6·0
Italy	4·6	8·6[5]	1·4	2·3[5]	12·3	10·9	—	4·6
Japan	4·2	6·1	4·5	4·6	7·6	7·9	—	—
Netherlands	12·3	15·0	2·9	3·1	12·6	14·4	6·4	8·3
Norway	..	..	..	..	21·2	20·1	10·8	10·4
Spain	1·3	3·5[5]	2·6	2·3[5]	8·6	6·4	—	—
Sweden	21·4	23·8	1·7	1·2	14·3	14·8	4·7	7·3
Switzerland[3]	9·0	11·8	2·5	2·4	7·2	7·1	—	—
United Kingdom	14·0	12·6	4·0	3·1	18·6	17·6	—	5·2
United States	11·5	12·3	3·9	4·3[5]	10·5	8·6	—	—

	Taxes on capital		Social security contributions			
			Total		*of which:* Paid by employers	
	1970	1979	1970	1979	1970	1979
Australia[2]	0·8	0·2	—	—	—	—
Austria	0·1	0·1	10·3	12·2[4]	..	..
Belgium[3]	0·4	0·4	11·5	13·8	7·7	9·3
Canada	0·7	0·2	3·4	3·9	2·0	2·5
Finland	0·1	0·1	5·0	5·7	..	..
France	0·3	0·3	14·8	20·0	10·7	13·7
German Federal Republic	0·1	0·1	12·3	15·6	6·3	8·2
Greece[3]	0·4	0·5	7·5	9·3	..	..
Irish Republic	0·5	0·2	4·9	6·7[5]	..	..
Italy	0·2	0·1	11·8	13·9	9·4	10·7[5]
Japan	0·2	0·2	4·6	7·9	2·4	4·0
Netherlands	0·3	0·3	16·2	20·9	8·3	10·5
Norway	0·1	0·1	11·2	14·7	..	..
Spain	0·2	0·1	7·1	12·0[5]	..	..
Sweden	0·2	0·1	8·6	15·0	5·4	14·3
Switzerland[3]	0·7	0·6	5·7	9·6	2·1	3·5
United Kingdom	0·9	0·3	6·0	6·9	3·1	4·1
United States	0·5	0·3	6·6	8·7	3·4	5·0

[1] Households include unincorporated businesses.
[2] Fiscal years beginning 1 July of year indicated.
[3] Former SNA.
[4] In 1977.
[5] In 1978.

Analysis of taxes by type of tax as percentage of total taxes including social security contributions

TABLE 4

	Percentages							
	1970	1973	1974	1975	1976	1977	1978	1979
AUSTRALIA[2]								
Taxes on income:								
Paid by households[2]	37·7	40·8	44·3	43·9	45·3	45·7	44·3	44·7
Paid by corporations	16·9	15·0	14·0	12·4	11·9	12·0	10·8	10·4
Total	54·6	55·7	58·3	56·2	57·2	57·8	55·1	55·1
Taxes on expenditure	42·7	42·3	40·1	42·3	41·4	40·9	43·9	44·3
Taxes on capital	2·7	2·0	1·6	1·5	1·4	1·3	1·0	0·6
Social security contributions	—	—	—	—	—	—	—	—
AUSTRIA								
Taxes on income:								
Paid by households[2]	24·8	25·9	26·9	25·0	25·7	25·6	..	..
Paid by corporations	5·5	4·4	4·9	5·1	4·4	4·3	..	..
Total	30·3	30·3	31·8	30·0	30·1	29·9	..	..
Taxes on expenditure	45·2	44·9	43·8	44·7	43·8	43·5	..	..
of which VAT	—	19·7	18·8	19·8	22·0	21·0	..	..
Taxes on capital	0·2	0·2	0·1	0·2	0·2	0·2	..	..
Social security contributions	24·3	24·6	24·3	25·1	25·9	26·3	..	..
BELGIUM[3]								
Taxes on income:								
Paid by households[2]	25·0	28·1	30·0	32·6	32·4	34·2	36·1	36·7
Paid by corporations	7·0	8·4	8·2	7·5	6·8	6·4	6·3	6·5
Total	31·9	36·4	38·1	40·1	39·2	40·6	42·3	43·2
Taxes on expenditure	37·3	31·7	30·6	28·0	29·1	28·2	27·9	27·2
of which VAT	1·1	18·2	18·5	16·1	17·7	17·2	17·5	17·3
Taxes on capital	1·0	0·8	0·7	0·8	0·7	0·8	0·9	0·9
Social security contributions	29·7	31·0	30·6	31·2	31·0	30·4	28·9	28·6
of which paid by employers	19·9	21·1	20·7	21·0	20·8	20·5	19·4	19·3
CANADA								
Taxes on income:								
Paid by households[2]	32·8	34·1	32·8	33·8	34·7	35·3	34·2	34·2
Paid by corporations	12·2	13·7	15·0	14·7	12·4	11·6	12·7	13·8
Total	45·0	47·8	47·8	48·6	47·1	46·9	46·9	48·0
Taxes on expenditure	44·0	42·2	41·8	39·7	40·5	40·8	40·7	40·4
Taxes on capital	2·0	1·0	0·7	0·8	0·7	0·7	0·7	0·6
Social security contributions	9·0	9·0	9·7	10·9	11·7	11·6	11·7	11·0
of which paid by employers	5·4	5·7	6·0	6·7	7·3	7·1	7·2	7·0
FINLAND								
Taxes on income:								
Paid by households[2]	36·7	39·9	41·1	41·8	44·3	42·6	39·1	38·7
Paid by corporations	5·8	4·6	4·6	5·0	5·3	4·3	4·5	4·4
Total	42·6	44·5	45·7	46·8	49·6	46·9	43·6	43·1
Taxes on expenditure	43·2	39·8	38·0	35·8	33·6	36·6	40·6	42·3
Taxes on capital	0·3	0·2	0·2	0·2	0·3	0·3	0·3	0·2
Social security contributions	14·0	15·5	16·0	17·2	16·4	16·2	15·6	14·3

Analysis of taxes by type of tax as percentage of total taxes including social security contributions

TABLE 4 (*continued*)

	Percentages							
	1970	1973	1974	1975	1976	1977	1978	1979
FRANCE								
Taxes on income:								
Paid by households[2]	13·5	13·1	12·3	13·6	14·6	14·9	14·7	14·0
Paid by corporations	6·7	6·5	8·1	5·8	6·3	6·0	5·1	5·3
Total	20·2	19·6	20·4	19·4	20·9	20·9	19·9	19·2
Taxes on expenditure	42·8	42·2	40·3	39·0	38·3	36·6	37·5	37·4
of which VAT	25·4	24·0	24·6	23·0	23·4	20·9	21·4	21·4
Taxes on capital	0·7	0·6	0·6	0·7	0·5	0·5	0·5	0·6
Social security contributions	36·3	37·6	38·7	40·9	40·3	42·0	42·1	42·8
of which paid by employers	26·3	27·0	27·8	29·5	28·7	29·5	29·6	29·3
GERMAN FEDERAL REPUBLIC								
Taxes on income:								
Paid by households[2]	25·8	28·6	29·9	28·1	28·4	29·0	27·7	26·8
Paid by corporations	5·3	4·5	4·0	3·7	4·2	5·1	5·0	5·0
Total	31·1	33·1	34·0	31·8	32·7	34·1	32·7	31·9
Taxes on expenditure	37·2	33·9	32·3	32·5	31·4	30·9	32·0	32·6
of which VAT	16·3	14·2	13·5	13·9	13·3	13·0	14·3	15·3
Taxes on capital	0·2	0·1	0·1	0·1	0·2	0·2	0·2	0·2
Social security contributions	31·5	32·8	33·6	35·5	35·6	34·9	35·2	35·3
of which paid by employers	16·2	17·5	17·9	18·7	18·7	18·3	18·4	18·5
GREECE[3]								
Taxes on income:								
Paid by households[2]	12·0	11·8	14·2	10·9	10·1	11·4	11·6	12·8
Paid by corporations	2·1	3·4	6·0	4·2	8·5	3·7	4·0	3·8
Total	14·1	15·2	20·3	15·0	18·7	15·1	15·6	16·6
Taxes on expenditure	58·2	56·7	52·2	57·1	52·7	54·4	53·3	52·5
Taxes on capital	1·4	1·3	1·1	1·1	1·2	1·7	1·7	1·6
Social security contributions	26·4	26·7	26·4	26·8	27·3	28·7	29·4	29·2
IRISH REPUBLIC								
Taxes on income:								
Paid by households[2]	..	..	..	..	..	..	..	..
Paid by corporations	..	..	..	..	..	..	..	..
Total	27·2	28·9	29·1	29·7	30·2	31·2	32·2	..
Taxes on expenditure	58·6	55·3	52·9	50·7	51·6	50·4	49·3	..
of which VAT	—	15·3	15·2	13·8	14·7	16·0	18·4	..
Taxes on capital	1·2	1·6	1·6	1·1	0·5	0·5	0·5	..
Social security contributions	12·9	14·2	16·4	18·5	17·6	17·8	18·0	..
ITALY								
Taxes on income:								
Paid by households[2]	15·3	17·1	17·6	18·5	19·7	21·5	23·9	..
Paid by corporations	4·6	4·7	3·9	4·7	5·5	5·5	6·3	..
Total	19·9	21·8	21·5	23·2	25·2	26·9	30·2	29·6
Taxes on expenditure	40·6	36·5	36·2	31·5	32·8	33·7	31·9	30·8
of which VAT	—	14·4	17·1	13·8	14·7	15·2	13·9	13·2
Taxes on capital	0·6	0·4	0·3	0·2	0·2	0·2	0·2	0·2
Social security contributions	38·8	41·2	42·0	45·1	41·8	39·2	37·7	39·4
of which paid by employers	30·9	32·7	34·7	37·5	34·7	31·4	29·7	..

Analysis of taxes by type of tax as percentage of total taxes including social security contributions

TABLE 4 (*continued*)

	Percentages							
	1970	1973	1974	1975	1976	1977	1978	1979
JAPAN								
Taxes on income:								
Paid by households[2]	20·0	24·3	23·6	22·1	23·0	22·0	20·9	22·8
Paid by corporations	21·4	20·0	23·6	19·8	17·8	17·8	18·9	17·3
Total	41·4	44·3	47·2	41·9	40·7	39·8	39·8	40·1
Taxes on expenditure	35·8	32·8	29·7	28·9	29·4	30·0	29·7	29·6
Taxes on capital	1·0	1·3	1·0	0·9	0·9	0·8	0·9	0·8
Social security contributions	21·8	21·6	22·1	28·2	28·9	29·4	29·6	29·5
of which paid by employers	11·3	11·6	11·8	14·5	14·8	15·1	15·7	14·7
NETHERLANDS								
Taxes on income:								
Paid by households[2]	27·8	28·1	28·4	27·8	27·9	27·4	27·7	28·0
Paid by corporations	6·6	6·7	6·6	7·6	6·9	6·7	6·2	5·7
Total	34·4	34·8	35·0	35·4	34·8	34·1	33·8	33·7
Taxes on expenditure	28·5	26·7	24·9	24·7	26·0	27·3	27·5	26·8
of which VAT	14·5	15·0	14·1	14·1	14·7	15·7	15·8	15·6
Taxes on capital	0·6	0·5	0·5	0·4	0·4	0·4	0·4	0·5
Social security contributions	36·5	38·1	39·6	39·5	38·8	38·1	38·3	39·0
of which paid by employers	18·7	19·4	20·2	19·8	19·6	19·2	18·9	19·5
NORWAY								
Taxes on income:								
Paid by households[2]	..	..	..	..	..	..	..	..
Paid by corporations	..	..	..	..	..	..	..	..
Total	32·1	32·7	33·4	33·9	35·7	34·0	36·6	38·3
Taxes on expenditure	44·2	38·3	38·0	37·7	37·6	39·2	36·7	35·6
of which VAT	22·6	19·8	19·7	19·5	19·3	19·9	19·6	18·4
Taxes on capital	0·2	0·2	0·3	0·2	0·1	0·1	0·1	0·1
Social security contributions	23·4	28·8	28·4	28·3	26·5	26·7	26·6	26·0
SPAIN								
Taxes on income:								
Paid by households[2]	6·4	7·9	8·6	9·3	10·3	11·1	14·4	..
Paid by corporations	12·9	11·5	11·9	12·0	11·4	10·4	9·3	..
Total	19·3	19·4	20·5	21·3	21·8	21·6	23·6	..
Taxes on expenditure	43·8	39·6	35·9	32·5	30·8	29·5	26·5	..
Taxes on capital	0·8	0·8	0·8	0·8	0·6	0·5	0·5	..
Social security contributions	36·1	40·2	42·7	45·4	46·8	48·4	49·4	..
SWEDEN								
Taxes on income:								
Paid by households[2]	46·3	41·9	45·2	46·1	43·9	41·7	43·2	43·4
Paid by corporations	3·7	2·8	3·4	2·5	2·8	2·9	2·1	2·2
Total	50·0	44·7	48·6	48·6	46·7	44·6	45·2	45·6
Taxes on expenditure	31·0	35·1	31·4	31·6	29·8	29·9	27·5	26·9
of which VAT	10·2	14·5	13·1	12·0	12·3	12·5	13·3	13·3
Taxes on capital	0·4	0·3	0·3	0·3	0·2	0·2	0·2	0·2
Social security contributions	18·7	19·9	19·7	19·6	23·3	25·3	27·1	27·3

Analysis of taxes by type of tax as percentage of total taxes including social security contributions

TABLE 4 (*continued*)

	Percentages							
	1970	1973	1974	1975	1976	1977	1978	1979
SWITZERLAND[3]								
Taxes on income:								
Paid by households[2]	35·9	36·4	37·4	38·7	39·3	38·6	37·6	37·4
Paid by corporations	9·8	9·4	9·8	9·7	9·8	8·7	8·4	7·6
Total	45·7	45·7	47·2	48·4	49·2	47·2	45·9	45·0
Taxes on expenditure	28·7	25·1	23·3	21·8	21·2	21·9	22·6	22·7
Taxes on capital	2·8	2·6	2·2	1·8	1·7	1·7	1·7	1·8
Social security contributions	22·8	26·6	27·3	27·9	27·9	29·1	29·7	30·5
UNITED KINGDOM								
Taxes on income:								
Paid by households[2]	32·2	33·1	35·0	39·4	39·1	35·5	34·4	31·2
Paid by corporations	9·1	8·0	9·9	6·4	5·3	6·4	7·3	7·6
Total	41·4	41·1	44·8	45·8	44·4	42·0	41·7	38·8
Taxes on expenditure	42·7	40·8	37·2	35·6	35·9	38·6	39·8	43·6
of which VAT	—	7·2	9·1	9·1	8·7	8·6	9·2	12·9
Taxes on capital	2·0	1·7	1·3	0·8	0·9	0·8	0·7	0·6
Social security contributions	13·9	16·4	16·7	17·8	18·9	18·7	17·9	17·0
of which paid by employers	7·1	8·5	9·3	10·6	11·4	11·2	10·7	10·2
UNITED STATES								
Taxes on income:								
Paid by households[2]	34·9	33·2	34·2	32·6	33·2	33·8	34·7	..
Paid by corporations	11·7	12·2	11·8	11·0	12·2	12·4	12·7	..
Total	46·6	45·4	46·0	43·6	45·5	46·1	47·4	..
Taxes on expenditure	31·9	30·1	29·1	30·7	29·0	28·1	26·8	..
Taxes on capital	1·6	1·6	1·5	1·3	1·3	1·5	1·1	..
Social security contributions	19·9	22·9	23·5	24·4	24·2	24·2	24·7	..
of which paid by employers	10·4	12·3	12·7	13·2	13·5	13·8	14·2	..

[1] Fiscal years beginning on 1 July of year indicated.
[2] Households include unincorporated businesses.
[3] Former SNA.

Taxes on income of households[1] and social security contributions as a percentage of total personal income in 1970 and 1979

TABLE 5

Percentages

	1970			1979		
	Taxes on income	Social security contributions	Total	Taxes on income	Social security contributions	Total
(*a*) Including employers' contributions						
Australia[2]	12·1	—	12·1	15·7	—	15·7
Austria	11·2	11·0	22·2	12·2[3]	12·5[3]	24·7[3]
Belgium[4]	9·4	11·2	20·6	15·0[5]	12·0[5]	27·0[5]
Canada	13·7	3·8	17·5	13·5	4·3	17·8
Finland	14·7	5·6	20·3	16·2	6·0	22·2
France	5·4	14·4	19·8	5·9	18·0	23·9
German Federal Republic	10·1	12·3	22·4	11·9[5]	15·2[5]	27·1[5]
Italy	4·4	11·2	15·6	7·8[5]	12·3[5]	20·1[5]
Japan	5·2	5·7	10·9	6·3	8·2	14·5
Netherlands	11·8	15·5	27·3	13·2	18·4	31·6
Spain	1·3	7·6	8·9	3·6[5]	12·2[5]	15·8[5]
Sweden	22·6	9·1	31·7	23·2	14·6	37·8
Switzerland[4]	10·3	6·6	16·9	12·4	10·1	22·5
United Kingdom	14·4	6·2	20·6	12·9	7·0	19·9
United States	12·3	7·0	19·3	13·1	9·2	22·3
(*b*) Excluding employers' contributions						
Australia[2]	12·1	—	12·1	15·7	—	15·7
Belgium[4]	10·1	4·0	14·1	16·4[5]	4·3[5]	20·7[5]
Canada	14·0	1·6	15·6	13·8	1·6	15·4
France	6·0	4·5	10·5	6·7	6·5	13·2
German Federal Republic	10·8	6·3	17·1	13·0[5]	7·8[5]	20·8[5]
Italy	4·8	2·5	7·3	8·6[5]	2·9[5]	11·5[5]
Japan	5·4	2·8	8·2	6·6	4·3	10·9
Netherlands	12·8	8·2	21·0	14·5	10·1	24·6
Sweden	24·0	3·6	27·6	26·9	0·8	27·7
Switzerland[4]	10·5	4·3	14·8	12·8	6·7	19·5
United Kingdom	14·9	3·2	18·1	13·5	2·9	16·4
United States	12·7	3·5	16·2	13·8	4·1	17·9

[1] Households includes unincorporated businesses.
[2] Fiscal years beginning on 1 July of year indicated.
[3] In 1977.
[4] Former SNA.
[5] In 1978.

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Data given on page 5 may be more recent than that shown elsewhere in the publication.

United Kingdom balance of payments; National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

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